

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

**OF**

### **PENTAGON PLASTIC INDUSTRIES PRIVATE LIMITED**

#### **Introduction**

Corporate Social Responsibility (CSR) builds a dynamic relationship between a Company, the society and environment. CSR is traditionally driven by a moral obligation and philanthropic spirit.

Our aim is to be one of the most respected companies in India delivering superior and everlasting value to all our customers, associates, shareholders, employees and Society at large.

#### **CSR OBJECTIVE**

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfill its corporate social responsibility.

Section 135 of the Companies Act, 2013 (“**Act**”) read with the rules made there under, inter alia, requires (a) the Board of Directors of the company to constitute Corporate Social Responsibility Committee (“**CSR Committee**”).

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

### **Composition:**

The Corporate Social Responsibility Committee consists of Two Directors

### **Meetings:**

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

### **ROLE OF CSR COMMITTEE:**

The role of CSR Committee is:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for the company and disclose its contents in their report and also publish the details on the Company's website, if any, in such manner laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended time to time.

### **Corporate Social Responsibility Policy of the Company:-**

the Board of directors to adopt this policy and ensure that the Company spends in every financial year at least 2% of the average net profit [as calculated in the manner described in the said Section 135 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**Rules**")] in pursuance of the Corporate Social Responsibility

Policy of the company, and the Board of directors to include in the Board's Report an annual report on CSR containing prescribed particulars.

The CSR Policy may be amended as required by the Board.

### **CSR Activities**

The scope of the CSR activities of the Company will cover the following areas but not limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time.

The Company shall identify projects / activities which will fall in any one or more of the following areas /sector for its CSR spending:

- 1) Improving the quality of life in rural area.
- 2) Eradicating hunger, poverty and malnutrition,
- 3) Promoting healthcare including preventive healthcare
- 4) Promotion of education including investment in technology in schools
- 5) Promoting sports including rural and Olympic sports
- 6) Contribution to funds for promoting technology
- 7) Investing in various rural development projects
- 8) Contribution to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief.
- 9) Collaborate with likeminded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
- 10) Interact regularly with stakeholders, review and publicly report our CSR initiatives and
- 11) Other areas approved by the CSR Committee that are covered in the CSR Rules as amended from time to time.

The CSR projects or programs or activities undertaken by the company as per Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act.

The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and areas where the Company operates.

All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR committee, which would then be placed before the forthcoming CSR committee for noting and record. The Chairman will ensure that the expenses/contribution and donation will be in full compliance of the CSR Policy.

### **Implementing Agency**

The company may decide to undertake its CSR activities directly or through a Registered Trust or a registered society or a company established by the company under section 8 of the Act. Provided that –

If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;

The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programs.

### **Exclusions:**

The CSR activities shall be undertaken by the company, (either new or ongoing) excluding activities undertaken in pursuance of its normal course of business. The Company will not make any contribution of any amount directly or indirectly to any political party.

The CSR projects or programs or activities that benefit exclusively for the employees of the company and their families shall not be considered as CSR activities in accordance with this policy.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

## **MONITORING AND FEEDBACK**

- a. To ensure effective implementation of the CSR program undertaken at each work center, a monitoring mechanism will be put in place.
- b. The progress of CSR programs under implementation will be reported to corporate office on a monthly basis.
- c. The report on progress on the CSR program undertaken by the Company will be put forward to the CSR Committee with full details of cost incurred and results achieved on a regular basis.
- d. Work centers will try to obtain feedback from beneficiaries about the programs implemented at the area.
- e. Appropriate documentation of the Company's CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- f. CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made thereunder.

## **Failure to spend the CSR Money**

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

## **Reports**

The Board shall assist the CSR Committee to prepare reports that are required to be placed before the Board. The format of the Report shall be in accordance with the guidelines on the subject as may be issued from Government, from time to time.

**GENERAL**

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as maybe issued from Government, from time to time. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

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