

# Time Technoplast Limited

Corporate Social Responsibility (CSR) Policy

## 1. Context

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Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibilities Policy) Rules, 2014 every Company having net worth of Rs. 500 Crore or more or turnover of Rs. 1,000 Crore or more or net profit of Rs. 5 Crore or more shall constitute Corporate Social Responsibility Committee (“CSR”) and the CSR Committee shall formulate and recommend policy.

The CSR Committee so constituted formulated policy on Corporate Social Responsibility (CSR Policy) and recommended the same to the Board of Director of the Company for its approval.

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This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, *inter-alia*, provide for the following:

- Development of CSR policy for the Company;
- Institute a transparent monitoring mechanism for implementation the CSR projects or programmes or activities supported / Undertaken by the Company or its Foundation or through any other implementing agency as prescribed in the CSR rules;
- Ensure that the planned programmes projects and activities supported by TPL Plastech Limited is in line with the activities prescribed on Schedule VII of the Companies Act 2013.
- Develop and Institutionise a CSR reporting mechanism

### Definition

- (a) 'Act' means Companies Act, 2013;
- (b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014;
- (c) 'Ministry' means the Ministry of Corporate Affairs
- (d) 'Net Profit' means net profit as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014 as set out below:.

Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- (i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act

- (e) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

### 1.3. CSR Activities

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The Policy recognises that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
- ii. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centres & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- iv. Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- v. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agroforestry, conservation of natural resources & maintaining quality of soil, air & water;
- vii. employment enhancing vocational skills
- viii. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- ix. Measures for the benefit of armed forces veterans, war widows & their dependents;
- x. Training to promote rural sports, nationally recognised sports, paralympic sports & olympic sports;
- xi. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- xii. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- xiii. Rural development projects

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

#### **1.4. The Geographic reach**

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The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in the state (s) wherein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

#### **1.5. Annual spends/Allocation of Funds**

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- 1.5.1 The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.
- 1.5.2 The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.
- 1.5.3 However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

## **2. CSR Committee**

### **2.1. Guiding Principles for Constitution of CSR Committee**

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The CSR Committee will consist of three directors, out of which at least one director(s) shall be independent director(s).

The Committee will meet atleast twice in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio- visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

## 2.2. Committee Members

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The Chairperson and Members of the Committee are as follows:

s. No.	Names	Chairperson / Member
1.	Mr. Bharat Vageria	Chairperson
2.	Mr. M.K.Wadhwa	Member
3.	Mr. Raghupathy Thyagarajan	Member

## 2.4 Scope of Functions of CSR Committee

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The functions of CSR Committee will, *inter-alia*, include the following:

### 2.4.1 Notified CSR Activities

1. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
2. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centres & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agroforestry, conservation of natural resources & maintaining quality of soil, air & water;
5. Employment enhancing vocational skills;
6. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
7. Measures for the benefit of armed forces veterans, war widows & their dependents;
10. Training to promote rural sports, nationally recognised sports, paralympic sports & olympic sports;
11. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
12. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
13. Rural development projects

#### **2.4.2 Transparent Monitoring Mechanism**

The CSR Committee, shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

### **3. Procedures**

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#### **3.1 Funding**

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1. As per the Regulations the Company will make provision, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any unutilized CSR allocation of a particular year, will be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilised in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of sub- section (3) of section 134 of the Act, shall specify the reasons for not spending the amount.

2. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

#### **3.2 Planning and Implementation**

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1. For the purpose of focusing its CSR efforts in a continued and effective, Education and Literacy Enhancement is identified as a main thrust area, besides other activities permitted under the Regulations.

2. The Projects may be divided into two main categories - Direct Project Funding and Employee Engagement. Projects which involve considerable financial commitment undertaken on a timeframe of 1-3 years where the Company will be the primary sponsor, will be considered under Direct Project Funding and accorded due significance. Payroll Giving initiatives will fall under Employee Engagement.
3. A list of CSR projects/programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.
4. Identification of projects and the executing agency/NGO will be made, *inter-alia*, by assessing the following:
  - a. Project Objectives
  - b. Baseline survey- As-is and To-be state basis, accordingly the outcome of the project will be measured.
  - c. Implementation schedules- Timelines for milestones of the project will need to be prescribed and agreed upon
  - d. Responsibilities and authorities
  - e. Major results expected and measurable outcome including the expenses/charges ratio as against the actual CSR spend.
5. If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any other form of entity operating *within India* to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:
  - a. The Company would need to specify the projects/programmes to be undertaken by such an organization, for utilizing funds provided by it;
  - b. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only;
6. The Company may also conduct/implement its CSR programmes through Trusts, Societies, or Section 8 companies *operating* in India, which are not set up by the Company itself, herein collectively referred to as 'CSR Partner' or 'CSR Partner(s)'.
7. Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.

8. Company may collaborate or pool resources with other companies to undertake CSR activities within India. Only activities which are not for the benefit of employees of the company or their family members shall be considered as CSR activity.

### **3.3 Projects / Partners**

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1. CSR Committee in consultation of the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company and/or through CSR Partner(s)

### **3.4. Review and Reporting**

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The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months/such other intervals as deemed fit.

The Company will report, the details of CSR initiatives and activities of the Company in the Directors' Report and or any other places, as required under the Regulations.

### **4. Monitoring & Review Mechanism**

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1. The administration of the CSR policy and the execution of identified CSR projects and activities under it shall be carried out under the overall superintendence and guidance of an internal monitoring group formed for this purpose

The internal monitoring group shall comprise of

- i. Mr. Nitin Dhawan
  - ii. Mr. Sanjeev Sharma
  - iii. Mr. Sandeep Jain
  - iv. Mr. Prashant Joshi
  - v. Mr. Manoj Kumara Mewara
2. The internal monitoring group shall submit its report on a 6 (six) monthly basis to the CSR Committee formed under the Act which shall monitor the CSR policy of the Company from time to time.
  3. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.



4. Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
5. The CSR Committee and persons / entities authorised by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
6. Based on analysis of current projects, carry out roadmap planning for allocation of budget and selection of projects. The same will be done atleast once in a financial year.
7. Plan and publish an annual calendar of major events so as strive for maximum participation of stakeholders.

#### **5. Amendments to the Policy**

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The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.