

**CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR)**  
**OF**  
**INDIAN SYNTHETIC RUBBER PRIVATE LIMITED**  
**(ISRPL)**

**(As approved by the Board on 23/08/2017)**

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## **BACKGROUND**

As per Section 135 of the Companies Act, 2013, every Company, whether a Private Limited or a Public Limited, which has a Net Worth of Rs.500 Crore or more or a Turnover of Rs.1000 Crore or more or a Net Profit of Rs.5 Crore or more, needs to spend at least 2% of the Average Net Profits of the Company made during the three immediately preceding financial years on Corporate Social Responsibility (CSR) activities. These activities should not be undertaken in the normal course of business and must be with respect to any of the activities specified in Schedule VII of the Companies Act, 2013.

The CSR policy of **Indian Synthetic Rubber Private Limited (ISRPL)**, which is intended to provide a robust framework for CSR activities carrying out by the Company under its Corporate Social Responsibility (CSR) policy.

## DEFINITIONS

Definitions of some of the key terms used in the policy are given below:-

- a) **'ACT'** means Companies Act, 2013 as amended from time to time;
- b) **'BOARD'** means board of directors of the company;
- c) **'CSR COMMITTEE'** means the CSR Committee of the Board referred to in Section 135 of the Act;
- d) **CSR SUB-COMMITTEE** means the Committee comprising of representatives from various departments of ISRPL, as decided by the CSR Committee from time to time;
- e) **'CORPORATE SOCIAL RESPONSIBILITY'** means and includes but is not limited to:
  - i) Projects/Programs relating to the activities specified in Schedule VII to the act or
  - ii) Projects/Programs relating to activities undertaken by the Board in pursuance of the recommendation of the CSR Committee as per CSR Policy of the Company subject to the condition that the CSR Policy will cover subjects enumerated in Schedule VII of the Act.
- f) **'CSR ACTIVITIES'** means projects/programs/initiatives to be undertaken by company in India, pursuant to Section 135 of the Companies Act 2013 along with CSR Rules;
- g) **'CSR POLICY'** means the policy of the company which relates to the activities to be undertaken by the company as specified in Schedule VII of the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company;
- h) **'AVERAGE NET PROFIT'** means the net profit as calculated with the provisions of Section 198 of the Companies Act, 2013;
- i) **'NET PROFIT'** means the net profit of a company as per its financial statement prepared in accordance with applicable provisions of the act, but shall not include the following namely:
  - i) Any profit arising from any overseas branch/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
- j) **'RULES'** means the Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time;

## VISION, MISSION AND OBJECTIVE

### ➤ VISION

To support responsible and sustainable initiatives, while taking care of the concern for **People, Planet and Profit**.

### ➤ MISSION

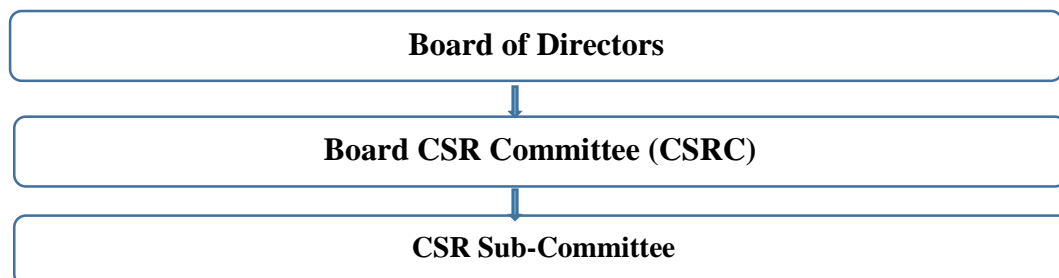
- i) Continually **enhance the triple bottom line framework** of the company in the form of economic, social and environmental performance through continuous involvement of employees.
- ii) To develop **social wealth of the communities** we engage with.
- iii) Promote efficient usage of scarce resources, encourage green energy initiatives and develop innovative solutions to fulfil the vision by stepping beyond the mandatory provisions.

### ➤ OBJECTIVE

- i) to provide a robust framework for carrying out the CSR activities in alignment with the Companies Act, 2013;
- ii) to identify, create guidelines and mechanism for implementation of CSR activities contributing towards the social cause of the society;
- iii) embrace the responsibility for the company's actions and encourage its positive impact in the form of activities on hunger, malnutrition, environment, community, stakeholders and society;
- iv) to generate the company's goodwill through its CSR activities which helps in creating the image of the company as a **"RESPONSIBLE CORPORATE CITIZEN"**.

## GOVERNANCE

The organizational structure for the governance of CSR will be as follows:



## LOCATION OF CSR

This policy shall apply to all Corporate Social Responsibility (CSR) activities taken up by the Company at the various locations in India, for the benefit of different segments of the society at large, specifically the deprived and underprivileged. However, by and large, it may be ensured that majority of the programmes are executed in and around the areas adjoining ISRPL plant/ premises.

## FOCUS AREAS UNDER CSR

In accordance with **provisions of Section 135 of the Companies Act, 2013 along with rules made thereon and Schedule VII**, the CSR activities of ISRPL shall focus on following attributes:-

S. No.	Sector in which CSR Activity can be undertaken	Allocation of Budget
1.	Contribution in the field of health care and sanitation by developing dispensaries, providing medical camps, Maternity child welfare centre, construction of Public toilets, Drainage system	% of Total Budget
2.	Contribution towards providing the facility of clean drinking water or construction of a bore well	% of Total Budget
3.	Contribution towards education and employment in the form of vocational skills among children and women	% of Total Budget

and, any other activities in relation to the above and all other activities, as decided by the Board from time to time, on the recommendations of the CSR Committee or otherwise, and which forms part of CSR as per Schedule VII of the Companies Act, 2013 (the ‘Act’) as amended from time to time. (Collectively referred to as ‘CSR Activities’)

The CSR activities shall be undertaken for the benefit of the public and not for the employees of the company and their family.

## **CSR COMMITTEE**

The Corporate Social Responsibility (CSR) Committee of Indian Synthetic Rubber Private Limited [hereinafter referred to as 'Board CSR Committee'], shall be consisting of three Directors of the Company.

**Quorum** for CSR Committee Meeting shall consist of two members present (either personally or through audio visual means) out of the total strength of the Committee, in order to conduct meetings of Corporate Social Responsibility Committee.”

## **CSR SUB-COMMITTEE**

CSR Sub-Committee, comprising of representatives from various departments, shall oversee the execution of all the programs/projects undertaken by the Company pursuant to its CSR Activities, for the purpose of satisfactory completion in terms of cost / time parameters.

## **VALIDITY OF CSR POLICY OF ISRPL**

The CSR policy of Indian Synthetic Rubber Private Limited (ISRPL) shall stand effective from 23/08/2017.

## **QUANTUM OF CSR INVESTMENT**

The Company, in every Financial Year, shall endeavour to spend the feasible amount, which shall not be restricted by the statutory limit of 2% of its average net profits three immediately preceding Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least **2% of Company's average Net profits for the three immediately preceding Financial Years.**

Taxable treatment of CSR expenses shall be done under provision of Income Tax Act, 1961.

In case any surplus arises during CSR activities, such surplus shall not form part of the profits of the company and shall spent only for undertaking CSR activities only.

## SCOPE & FUNCTIONS OF CSR COMMITTEE

- Formulating and recommending CSR policy to the board indicating the activities to be undertaken by the Company as specified in Schedule VII;
- Recommending to the Board CSR Activities to be undertaken referred to in clause (a) along with detailed plan, modalities of execution, implementation Schedule, amount to be incurred on such activities
- To institute a transparent monitoring mechanism for implementation of the CSR activities;
- Monitoring and Reviewing the CSR Policy of the company from time to time and provide requisite feedback whenever needed;
- Ensuring compliance regarding CSR policy of the company;
- To **display CSR policy on the website** of the company;
- Half Yearly Reporting about the progress/status of approved CSR Activities to the Board and placing before the board the responsibility statement annually that the implementation and monitoring of the CSR policy, is in compliance with the objectives and policy of the company;

and such other function as may be delegated by the board of directors.



## IMPLEMENTATION OF CSR ACTIVITIES

- The company may implement its CSR agenda through any trust, society or company established under **Section-8 of Companies Act, 2013 (erstwhile Section-25 of Companies Act, 1956)** having a track record of three years in undertaking similar programs or projects.
- The Company may collaborate with any other companies for undertaking the CSR Activities subject to fulfilment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- The CSR activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.
- CSR activities undertaken in India only shall be considered as CSR Expenditure.
- ISRPL's CSR Policy will be operative within the overall ambit of CSR Provisions of the Companies Act 2013 [hereinafter referred to as 'Act'], Companies (CSR Policy) Rules 2014 [hereinafter referred to as 'CSR Rules'], Schedule-VII to the Act [hereinafter referred to as 'Schedule-VII'], and clarifications/amendments thereof from time to time.
- The Company shall **not make any payment directly or indirectly to Political Party(s)** for CSR Activities.
- In line with the ministry of corporate affairs (MCA) circular no.21/2014 dated 18/06/2014, one of events such as marathons/awards/charitable contributions/sponsorship of TV programs/ events involving celebrities specially for entertainment purposes, etc. **would not qualify as CSR activities.**

## CSR EXPENDITURE

Annual CSR budget would be approved by the Board on the recommendations of the CSR Committee, subject to the provisions of the Act and Rules made there under as amended from time to time.

Based on the total approved budget, funds would be allocated for different projects on the basis of identified CSR plan on yearly basis.

Any unspent/unutilized CSR allocation of a particular year shall be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature.

## CSR MONITORING AND REPORTING

CSR Sub-Committee shall be responsible for the execution of CSR Activities undertaken by the Company and shall present a quarterly report stating progress achieved in respect of such CSR activities, to the CSR Committee and shall ensure the following:

- Regular field visits to Project / Programme sites;
- Comprehensive documentation / compilation of Field Reports;
- Regular interaction with beneficiary communities to obtain feedback;
- Any other activity that the CSR Committee may deem necessary in the larger interest of its CSR activities.

CSR Committee shall be responsible for monitoring of ISRPL's approved CSR activities. CSR Committee shall ensure that Projects / Programmes as budgeted are actually being carried out and/or such monitoring mechanisms will include meetings, half yearly Reporting of progress/status of CSR Activities to the Board and placing before the Board an annual responsibility Statement regarding implementation and monitoring of CSR policy.

In case of any ambiguity regarding provision of policy and also In respect of matters not covered herein, a reference shall be made to CSR committee. In all such matters decision of the CSR committee shall be final.

Any or all provisions of this CSR policy may be amended by the Board based on the recommendations of the CSR Committee or in accordance with any statutory guidelines that may be issued from time to time.

## ANNUAL REPORT ON CSR

The Board Report shall include an Annual Report on CSR containing particulars as contained in the following:

- a) **A brief outline of CSR policy**, including overview of the projects proposed to be undertaken
- b) **Composition of CSR committee**
- c) **Average net profit of the Company for the last three financial years**
- d) **Prescribed CSR expenditure**
- e) **Details of CSR spending** in prescribed format (attached at **Annexure A**) and in case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, reasons for not spending the amount
- f) **A responsibility statement of CSR committee** that the implementation and monitoring of CSR policy, is in compliance with the CSR objective and policy of the company

**ANNEXURE- A PROJECTS/PROGRAMS FOR THE FINANCIAL YEAR**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>S.No</b>	<b>CSR Project or Activity identified</b>	<b>Sector in which the Project is covered</b>	<b>Projects Or Programs (1)Local Area or other (2)Specify the State and District where projects or programs was undertaken</b>	<b>Amount outlay (budget) Project Or Programs-wise</b>	<b>Amount spent on the projects or programs Sub-heads (1)Direct expenditure on projects or programs (2)over-heads</b>	<b>Cumulative expenditure up to the reporting period</b>	<b>Amount spent direct or through implementation agency</b>
<b>1</b>							
<b>2</b>							
<b>3</b>							
	<b>TOTAL</b>						

<p>Signature</p> <p>(Chief executive officer or Managing Director or Director)</p>	<p>Signature</p> <p>(Chairman CSR Committee)</p>
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