

CORPORATE SOCIAL RESPONSIBILITY POLICY OF ASTRON PACKAGING LIMITED

A. Philosophy:

Recognizing that business enterprises are economic organs of society, it is Astron's belief that a company's performance must be measured by its contribution to building economic, social and environmental capital towards enhancing societal sustainability.

Astron Packaging Limited recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations.

The company endeavors to make CSR a key business process for sustainable development. Our company is committed towards aligning with nature; and has adopted eco-friendly practices. As a corporate entity, the company is committed towards sustainability.

B. Constitution of CSR Committee:

Keeping in line with section 135 of the Companies Act, 2013 and the rules thereunder (hereinafter referred to as 'the Act'), the Board of Directors of the Company shall form a Corporate Social responsibility Committee (hereinafter referred to as the 'CSR Committee') to inter alia, carry out the following functions:

- 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 and rules made thereunder;
- b) To recommend the amount of expenditure to be incurred on the CSR activities;
- c) To monitor the implementation of framework of CSR Policy;
- d) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be necessary or appropriate for performance of its duties.

C. Definitions

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act, 2013 and the rules made thereunder, including any modification, amendments or re-enactment thereof.

2. "Agency" (or Agencies) means any Section 8 Company or a registered trust / society / NGO / institution, performing social services for the benefit of the society and excluding a registered trust / society / NGO / institution / Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.
3. "Approved Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
4. "Board" shall mean the Board of Directors of the Company.
5. "Company" shall mean Astron Packaging Limited and wherever the context required, shall signify the Company acting through its Board.
6. "CSR Committee" shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which atleast one director shall be an independent director.
7. "CSR Expenditure" means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee, including the following:
 - i. Contribution to CSR Projects which shall be implemented and/or executed by the Company;
 - ii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and / or executed by the Company
 - iii. Any other contributions covered under Schedule VII to the Act.

Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR Expenditure.

8. "CSR Officer" shall mean the whole time person engaged by the Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.
9. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
10. "CSR Projects" or "Projects" means Corporate Social Responsibility Projects / activities / programs / initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company. Projects / activities / programs / initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

11. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
12. "Group Companies" means holding, subsidiaries and associates of the Company.
13. "Net profit" shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.
14. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
15. "Thrust Areas" shall have the meaning as ascribed to them as per the provision D of the Policy.
16. "Trust" means a Trust created and registered under the India Trust Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group companies.

Words and expression used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

D. Thrust Areas:

The Company will undertake such CSR projects that are under the ambit of activities mentioned in Schedule VII of the Companies Act, 2013 and as amended from time to time.

E. Identification of CSR Projects:

1. CSR Projects need to be identified and planned for approval of the CSR Committee, in particular in thrust Areas, with estimated expenditure and phase wise implementation schedules.
2. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
3. As a cardinal principle, the CSR Projects in Thrust Areas shall be identified on the basis of a detailed assessment survey.
4. The CSR Officer may engage external professionalism/firms/agencies if required for the purpose of identification of CSR Projects.

F. Implementation

The Company shall implement the identified CSR Projects by the following means:

I. Direct Method

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The Company may also implement the identified Projects presently through its Foundation or Society or through its group company which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
3. The CSR Officer may engage external professionalism/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4. The company may collaborate with other companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

II. Indirect Method

1. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:
 - The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided
 - The Agency has an established track record of at least three years in undertaking similar programs or projects, and
 - The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.
2. The Company may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

G. Monitoring Mechanism:

1. Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
2. The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the Committee within the specified budgets and timeframes and report back to the Committee on the progress thereon at such frequency as the CMC may direct.
3. The Committee shall review the implementation of the CSR Programmes during regular intervals and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
4. Once every six months the Committee will provide a status update to the Board on the progress of implementation of the approved CSR Programmes carried out during the six month period.
5. At the end of every financial year, the CSR Committee will submit its report to the Board.

H. Fund allocation and Others

A. Fund allocation

1. The Company, in every Financial Year, shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the three immediately preceding Financial Years.
2. The CSR Committee shall prepare a CSR annual plan for the above which shall include:
 - a. Identified CSR Projects
 - b. CSR expenditure
 - c. Implementation Schedules
3. Total expenditure in the CSR annual plan shall be approved by the Board upon recommendation by the CSR Committee
4. In case the Company fails to spend the statutory minimum limit of 2% of the Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reason for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Act.

B. Others

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the annual plan shall be for the Projects as per CSR objectives. However, there shall not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.
2. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.
3. The Company may build CSR capacities of their own personnel or its Trust of Society, as well as those of the Agencies through institutions which established track records of at least three Financial Years but such expenditure on capacity building shall not exceed 5% if the Approved Budget of the Company in one Financial Year.

I. Duties and responsibilities:

I. Board of Directors

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

II. CSR Committee

- i. The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at regular intervals as and when required.
- ii. In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- iii. The CSR Committee shall place before the board the draft annual report as per the format in annexure to the Rules in Board meeting in as and when required for Board review and finalization.
- iv. The CSR Committee shall place before the Board as and when required, every year a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company for inclusion in the Board's Report.
- v. The CSR Committee shall ensure that the CSR Policy is displayed on the Company's website, if any.

J. Review Periodicity and amendment:

- i. CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.
- ii. The CSR Committee shall review the Policy every two years unless such revision is necessitated earlier.