

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PRINCIPLES OF CSR POLICY:

Our Company endeavors to ensure environmental sustainability by adopting best environmental practices and its vision is to actively contribute to the social and economical development of the communities in which we operate and to bring in a sustainable way of life for the weaker sections of the society.

DEFINITIONS:

The following definitions derived from **the Companies (Corporate Social Responsibility Policy), Amendment Rules, 2021**

“Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act as per the provisions contained in these rules, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of the normal course of business of the company;
- (ii) any activity is undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on a sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for the fulfillment of any other statutory obligations under any law in force in India;

"CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

"CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation, and monitoring of activities as well as formulation of the annual action plan;

"Net profit" means the net profit of a company as per its financial statement prepared as per 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;

“Ongoing Project” means a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.



CSR POLICY

The Company will take up community and socially focused activities, with particular emphasis on the following activities, projects, or programs, hereinafter referred to as “CSR Policy”:

- I. Promoting preventive and general health care, sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and provision of safe drinking water.
- II. Promoting education by providing financial assistance to deserving educational institutions, meritorious students, including special education and employment enhancing vocation skills especially among children, women elderly, and differently-abled, promoting livelihood enhancement projects and road safety projects with special emphasis on driver training programs.
- III. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes daycare centers, and other facilities for senior citizens.
- IV. Ensuring environmental sustainability, ecological balance, protection of Flora and Fauna, animal welfare, agroforestry conservation of natural resources, and maintaining the quality of soil, air, and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of the Ganga.
- V. Protection of National heritage, art, and culture, including restoration of building ad sites of historical importance and works of art, setting up public libraries, promotion, and development of traditional arts and handicrafts.
- VI. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- VII. Contributing to rural development projects; and
- VIII. Such other activities and projects are covered in Schedule VII to the Companies Act, 2013, and notifications are made by the Ministry from time to time.



Certificate No. OHS 62228 / EMS 71748
An OHSAS 18001 and ISO 14001 Certified Company

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MODALITIES AND IMPLEMENTATION SCHEDULE FOR EXECUTION OF PROJECTS AND PROGRAMMES OR CSR ACTIVITIES

The Company will undertake its CSR activities either directly on its own or by contributing through a Registered Trust or through a Registered Society or establish another Company under Section 8 of the Companies Act, 2013 or collaborate with other entities.

The implementation schedule for the CSR activities will be dependent on the availability of eligible projects. The specific activities to be undertaken will be placed before the CSR Committee of the Board for prior approval and periodical updates will be submitted to the Committee.

The Company will give preference to the local area(s) in and around its offices in India, for spending the amount earmarked for CSR activities.

The Company will endeavor to spend in every Financial Year, at least 2% of the average net profits of the Company during the three immediately preceding Financial Years for its CSR activities.

CSR expenditure will include all expenditures, either in cash or kind, direct and indirect, incurred by the Company on CSR Programmes undertaken per the approved CSR activities. Moreover, any surplus arising from any CSR Programmes shall be used only for CSR and will be carried forward to next year's spending. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

ORGANISATION SETUP:

a. The CSR projects in the Company shall be implemented under the guidance of the Board's Sub-Committee on CSR comprising of Six Directors out of which Four Directors are Independent Directors.

b. The CSR Sub-Committee of the Board shall have the following responsibilities.

(i) Formulate and recommend CSR policy to the Board for approval.

(ii) Recommend for approval of the Board the amount of expenditure to be incurred on the activities in a financial year along with projects to be undertaken earmarking funds for broad area-wise projects.

(iii) Monitor from time to time the implementation of the CSR projects undertaken by the Company.

c. A Nodal Officer (basically the Company Secretary) for CSR at the Corporate level – preferably one rank below the Board level - shall coordinate Company's CSR initiatives and shall be assisted by a team of designated officers.

PLANNING:

a. The identification of CSR activities shall be done by anyone or a combination of the following methods.

(i) In-house planned projects.

(ii) Proposals from District Administration / local Govt. body/public representatives etc.

(iii) Proposals/Requests from a registered & specialized body for providing financial assistance for carrying out specific CSR initiatives subject to the condition that it fulfills the criteria as prescribed in the statute in this regard.

(Proposals to be considered only after checking the credibility of the proposing body through evaluation of necessary documents. Site visits may also be made if required).

b. Based on identified CSR activities/projects, the Annual CSR Plan shall be prepared by the CSR departments in advance.

c. The CSR Committee shall consider and recommend the comprehensive Annual Plan to the Board for its approval. Attempts shall be made to complete the process before the commencement of the next financial year.

f. The plan as approved by the Board shall be communicated for implementation.

g. The CSR Annual Plan may, however, be amended/modified at any time during the financial year as per the procedure detailed above - with proper justification - of project/activity after getting it duly recommended from the respective competent authorities for inclusion/removal from the CSR Plan. On receipt of such proposals, CSR Committee may consider recommending suitable modification in the CSR Plan for approval of the Board.

The approved CSR Annual Plan shall form part of this policy.

MONITORING PROCESS

The following shall be the monitoring mechanism in this regard.

a. The CSR Nodal Officer (i.e., Company Secretary) shall be responsible for the monitoring of CSR activities at every stage on a day-to-day basis. He shall keep track of the progress of the CSR activities regularly through status checks from implementing agencies, site visits, etc., and also obtain feedback from the targeted beneficiaries.

b. The progress report of CSR activities quarterly would be submitted to the CSR Committee for information and updation.

c. The CSR Nodal officer shall incorporate changes in the annual plan, (if any) suggested by the CSR committee.

CSR IMPLEMENTATION:

1. The Board shall ensure that CSR activities are undertaken by the company itself or through –

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

(b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and has an established track record of at least three years in undertaking similar activities.

3. The company shall obtain the ‘**CSR registration number**’ from the identified third party to engage the CSR activities on behalf of the Company.

4. The CSR Committee shall formulate and recommend to the Board, **an annual action plan** in pursuance of its CSR policy, which shall include the following, namely: -

(a) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.

(b) the manner of execution of such projects or programs as specified in sub-rule (1) of rule 4.

(c) the modalities of utilization of funds and implementation schedules for the projects or programs.

(d) monitoring and reporting mechanism for the projects or programs; and

(e) details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

CSR EXPENDITURE

(1) The board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the financial year.

(2) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the **Unspent CSR Account** and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within six months of the expiry of the financial year.

(3) Where a company spends an amount above requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

(i) the excess amount available for set-off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.

(ii) the Board of the company shall pass a resolution to that effect.

(4) The CSR amount may be spent by a company for the creation or acquisition of a capital asset, which shall be held by –

(a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority;

REPORTING

a. The contents of the CSR Policy shall be disclosed in the Director's Report forming part of the Company's Annual Report. It shall also be placed on the Company's website in the prescribed format.

b. The report would be signed by the Director (Personnel) or Chairman of the CSR Committee.

UNSPENT AMOUNT:

The amount available for an ongoing project will be deposited in an account opened with the Scheduled Bank within a period of **thirty days** from the end of the financial year to a special account to be opened in that behalf for that financial year in any scheduled bank to be called the **Unspent Corporate Social Responsibility Account**, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a **period of three financial years** from the date of such transfer.

The amount unspent for the CSR (approved project), if any, will be transferred **within a period of six months** of the expiry of the financial year to any fund specified in schedule VII of the Act.”.

CERTIFICATE

As per rule 4(5) of the Rules [The Companies (Corporate Social Responsibility Policy) Rules, 2014], the Chief Financial Officer of the Company would certify to the Board that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.



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