

**CHEMCRUX ENTERPRISES LIMITED**  
**Corporate Social Responsibility Policy**

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

(Adopted by the Board of Directors at the Meeting held on November 14<sup>th</sup>, 2019)

**1. Objective:**

The Corporate Social Responsibility Policy (the Policy) is in compliance with Section 135 of the Companies Act, 2013 read with relevant rules and Schedule VII of the Companies Act, 2013. The objective of this policy is to continuously and consistently:

- Generate goodwill in communities where the Company operates or is likely to operate;
- To support the activities/programs/ projects that benefit communities specially in the areas like health care, education, environment etc;
- Encourage an increased commitment from employees towards CSR activities and volunteering.

**2. Definitions:**

- “**Act**” means the Companies Act, 2013.
- “**Board**” means Board of Directors of the Company.
- “**Company**” refers to **CHEMCRUX ENTERPRISES LIMITED (CEL)**
- “**CSR Committee**” means Corporate Social Responsibility (CSR) Committee of the Company as constituted or reconstituted by the Board from time to time.
- “**CSR Policy**” means the contents herein including any amendments made by the CSR Committee and the Board of Directors of the Company.
- “**Net profits**” means the net profit before tax of the Company as per its financial statement 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:
- Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, applicable rules and notification to the extent applicable to the Company.

**3. Corporate Social Responsibility Committee :**

The **Corporate Social Responsibility Committee ('CSR Committee')** shall comprise of three or more directors of which, at least one will be an independent director. The CSR Committee of the Company shall be responsible for:

- a) Formulating and recommending to the Board, the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act.
- b) Recommending to the Board, the CSR expenditure to be incurred.
- c) Monitoring the implementation of the CSR Policy of the Company from time to time.

**4. Funding and Allocation:**

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- 2% of the average Net Profit (PBT) made by the Company during immediately preceding three Financial Years.
- Any income arising from the amount earmarked for CSR expenditure.

**CHEMCRUX ENTERPRISES LIMITED**  
**Corporate Social Responsibility Policy**

- Any surplus generated from CSR projects undertaken will be tracked and channelized in the CSR corpus. These funds will be further used in development of CSR projects and will not be added to the normal business profits.

**5. Implementation:**

CEL will implement its CSR activities in accordance with Section 135 of the Companies Act 2013 and rules notified thereunder. The Company may undertake and/or initiate CSR activities by setting up registered Trust/ Societies/ Company under section 8 of the Companies Act, 2013 or established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature.

CEL 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. Such spends may be included as part of its prescribed CSR spend only if such organizations are registered and have an established track record of at least three years in carrying on activities in related areas.

It may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

**6. CSR Activities :**

Only activities which are not exclusively for the benefit of employees of the CEL or their family members shall be considered as CSR activity. Following CSR activities, which are located within India, as included in Schedule VII of the Companies Act, 2013 may be undertaken :

- 1) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- 2) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 3) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- 4) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- 5) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- 6) measures for the benefit of armed forces veterans, war widows and their dependents;
- 7) training to promote rural sports, nationally recognised sports, paraolympic sports and olympic sports

**CHEMCRUX ENTERPRISES LIMITED**  
**Corporate Social Responsibility Policy**

- 8) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- 9) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
- 10) rural development projects;
- 11) slum area development.- The term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- 12) disaster management, including relief, rehabilitation and reconstruction activities.

**7. Criteria for identifying CSR projects:**

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 activities. While identifying the projects all efforts must be made to the extent possible to define the following:

- Project objectives.
- Implementation schedules- Timelines for milestones of the Activity/Program/Project will need to be prescribed.
- Responsibilities and authorities.
- Major results expected and measurable outcome.

**8. Criteria for identifying Non-Governmental Organizations (NGOs)**

While identifying Activity/Program/Project CEL will also identify the external agency (NGO) who would execute the said Project. In case of Project execution by them the following minimum criteria need to be ensured:

- The NGO / Agency has a permanent office in India;
- The NGO is a registered society under Societies' Registration Act / Public Trust Act/ not- for- profit company under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956);
- Possesses a valid Income-tax Exemption Certificate;

**9. Monitoring:**

It will be the responsibility of the CSR committee to monitor periodically the implementation of the projects/programmes /activities under this CSR policy. The Board of Directors will monitor and review the progress of CSR activities undertaken/ completed. Project selection and progress of projects will additionally be reviewed by the CSR committee on a regular interval.

**CHEMCRUX ENTERPRISES LIMITED**  
**Corporate Social Responsibility Policy**

**10. Modifications in Policy:**

The Policy shall be reviewed by the CSR Committee from time to time for any modifications or amendments, including due to changes in the Companies Act, 2013/ Companies (Corporate Social Responsibility Policy) Rules, 2014. The modifications/amendments in the Company's CSR Policy, as recommended by the CSR Committee shall be subject to approval of the Board. In case there are any regulatory changes, the amendment in the regulatory requirements shall be binding on the Company and prevail over this Policy even if not incorporated in this Policy.

**11. Reporting:**

CSR activities will form a part of the Company's Director's Report. The reporting would be in the format prescribed under the Companies Act, 2013 and the Rules in respect thereof. The annual report of CSR activities along with the contents of the CSR policy of the Company shall be displayed on the Company's website.

\*\*\*\*\*

