

CHEMCRUX ENTERPRISES LIMITED – CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



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Approved by	Board of directors
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Version	2

CHEMCRUX ENTERPRISES LIMITED – CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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1. PREFACE

Chemcrux Enterprises Limited (“Company”) has formulated the Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013 read with relevant rules and Schedule VII of the Companies Act, 2013. It shall apply to all CSR Projects/ Programmes undertaken by the Company as per activities listed in Schedule VII of the Act, within India.

2. PURPOSE

At Chemcrux, we continue to enhance value creation in the society and in the community in which it we operate with particular emphasis on enhancing quality of life for the community through our CSR initiatives. We shall strive to improve the living standards of the community and try to bring a difference in the lives of the needy, underprivileged persons of the society including children, women and senior citizens.

3. SCOPE AND COVERAGE

The CSR activities of the Company will include one or more activities/ projects/ programs as may be prescribed in Schedule VII of the Companies Act, 2013 as amended from time to time.

4. DEFINITIONS

“**Company**” means Chemcrux Enterprises Limited.

“**Act**” means The Companies Act, 2013 and includes the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable rules and any statutory modifications, re-enactments thereof.

“**Board**” means the Board of Directors of the Company.

“**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 in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

“**CSR Committee**” means the Corporate Social Responsibility committee constituted under Section 135(1) of the Act.

“**Net Profit/Profit**” refers to the average net profits of the Company, calculated in the manner as provided under the Act.

“**Ongoing Project**” means a multi-year project undertaken by a Company in fulfilment 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.

Any undefined words and expressions used in the policy shall have the same meaning as assigned to them in the Act or Rules.

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5. CONSTITUTION OF THE CSR COMMITTEE

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR Committee shall be appointed by the Board of Directors of the Company, the composition of which shall be in accordance with Section 135 of the Companies Act, 2013 as amended from time to time.

The role and responsibilities of the CSR Committee shall include the following:

- a) 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;
- b) Recommending to the Board, the CSR expenditure to be incurred.
- c) Monitoring the implementation of CSR Policy from time to time.
- d) Formulation of Annual action plan which shall include:
 - List of approved CSR Projects or programmes to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - Execution Plan for such Projects or Programmes;
 - Implementation schedule for the projects and modalities of utilisation of funds;
 - Monitoring and reporting mechanism for the projects or programmes.

The CSR Committee may recommend to the Board to carry on Impact Assessment of the Projects undertaken by the Company, if required.

6. CSR ACTIVITIES

In accordance with Schedule VII to the Companies Act, 2013, activities/ projects/ programs relating to following may be included by the Company in its Corporate Social Responsibility with focus on one or more areas:

- (i) 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;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) 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 Clean Ganga Fund set- up by the Central Government for rejuvenation of river Ganga;
- (v) 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;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's

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Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- (ix) A)** Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
- B)** Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)
- (x)** Rural development projects;
- (xi)** Slum area development.
- (xii)** disaster management, including relief, rehabilitation and reconstruction activities
- (xiii)** Any other projects or activities approved by the Central Government pursuant to Section 135 of the Act, from time to time. Keeping in view of the spread of the novel COVID-2019 in India, spending of CSR funds for various activities related to COVID-2019 is an eligible CSR activity.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

7. CSR BUDGET

The Company is required to spend in every financial year at least the amount as specified under section 135 of the Companies Act, 2013 or under any applicable rules made thereunder in the manner as specified therein, as its annual CSR Budget on CSR activities/ projects/ programs in pursuance of this Corporate Social Responsibility Policy.

The CSR amount may be spent by a company for creation or acquisition of a capital asset which shall be dealt in accordance with the provisions specified under the Act and Rules.

If the Company spends an amount in excess of the specified requirements provided under the Act, then the Company may set off such excess amount against the requirement to spend under sub-section 5 of Section 135 for such number of succeeding financial years and in such manner, as may be prescribed under the Act and rules made thereunder.

The surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company and shall be dealt with in accordance with the provisions prescribed in the Act and Rules.

The unspent CSR amount, if any, shall be dealt in a manner in accordance with the provisions prescribed in the Act and rules.

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8. IMPLEMENTATION:

Company shall make contributions towards its CSR activities either in Direct or Indirect way.

Direct Way i.e., Company may directly spend towards CSR activity/ project/ program.

Indirect Way i.e., Company may contribute towards CSR activities/ projects/ programmes through an entity (Implementing Agency). The following entities are mentioned under Rule 4 of The Companies (Corporate Social Responsibility Policy) Rules, 2021:

- 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
- 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
- any entity established under an Act of Parliament or a State legislature; or
- 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 having an established track record of at least three years in undertaking similar activities.

Every entity, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the **01st day of April 2021**. Provided that this shall not affect the CSR projects or programmes approved prior to the **01st day of April 2021**.

Company may engage International Organisations for designing, monitoring and evaluation of the CSR projects or programmes as per the CSR policy as well as for capacity building of their own personnel for CSR.

Company 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.

The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and yearwise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

9. MONITORING

It will be the responsibility of the CSR committee to monitor the implementation of the projects/programmes/activities under this CSR policy. The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews, field visits or in any other manner depending upon the nature of the activity/ project/ program so as to ensure that the

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CSR contribution is utilized for the purposes as mentioned in CSR Policy.

10. DISCLOSURE

The Company shall comply with provisions of section 134 & 135 of the Act and Rules thereby ensuring that it makes disclosure as required under the applicable laws.

11. REVIEW

The CSR Committee shall provide recommendations as and when it deems necessary to the Board to amend/ modify/ revise the CSR Policy. The Policy shall be reviewed and revised as and when required by the CSR committee subject to the approval of board of directors but will, always be subject to the applicable laws.

12. INTERPRETATION

In case of any conflict between the provisions of this Policy and provisions of any applicable law, the provisions of the applicable law shall prevail over this Policy. Any subsequent amendments/ modifications in the provisions of applicable law shall automatically apply to this Policy.
