

**CORPORATE SOCIAL RESPONSIBILITIES POLICY**



**AksharChem (India) Limited**

CIN: L24110GJ1989PLC012441

**PREAMBLE**

We believe in helping social-economic development of society by providing fundamental facilities as provided in Section 135 of the Companies Act, 2013 read with Rules made there under. This is the cornerstone of our CSR policy.

**SCOPE OF CSR POLICY**

1. To eradicate hunger, poverty and malnutrition, promoting preventive health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. To promote education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. To promote gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4. To ensure 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 Central Government for rejuvenation of river Ganga.
5. To protect national heritages, 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 arts and handicrafts.

6. To take measure for the benefits 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).
7. To train and promote rural sports, nationally recognized sports, Paralympics sports and Olympics sport.
8. To contribute Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Tribes, other backward classes, minorities and women.
9. To provide funds to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural Development projects.
11. Slum area development.
12. Disaster management, including relief, rehabilitation and reconstruction activities.
13. Any other activities covered from time to time as may be covered by law.

## **IMPLEMENTATION**

From April 1st, 2014, in line with the Companies Act 2013 (the Act), the Company is required to contribute at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years specifically towards CSR initiatives. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the Company.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the “Unspent Corporate Social Responsibility Account”. Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year, and Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section {3) of section 134.

The Board of Directors shall give preference to the local area and areas around it where it operates or has direct or indirect business presence, for spending amount on aforesaid activities.

The Company's CSR Programmes shall be implemented through Company personnel or through external implementing agencies or any other Trusts, Foundations and Section 8 companies that may be established by the Company from time to time or through other eligible entities/organisation. These organizations would need to be registered under Section 12A and 80G of the Income Tax Act, 1961 (43 of 1961). The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the April 1, 2021.

#### **AMOUNT SPENT IN EXCESS OF THE REQUIREMENTS**

Such excess amount may be set off against the requirements to spend upto immediate succeeding three financial years subject to conditions that:

- a) The excess amount available for set off shall not include the surplus arising out of CSR activities.
- b) The Board of the Company shall pass a resolution to this effect.

If CSR amount is spent by the company for creation or acquisition of a capital asset, it shall be held by: Section 8 company or beneficiaries of said CSR project in form of self-help groups, collectives, entities or a public authority.

#### **MONITORING**

Corporate Social Responsibility Committee shall monitor and review Corporate Social Responsibility Policy of the company from time to time and it shall provide its report to the Board of Directors on annual basis.