



## SAURAV CHEMICALS LIMITED

# CORPORATE SOCIAL RESPONSIBILITY(CSR) POLICY

### TITLE AND APPLICABILITY

- The document describes the Corporate Social Responsibility Policy (“CSR policy”) of Saurav Chemicals Limited (“SCL” or “the company”). It includes SCL’s vision, mission and other relevant attributes of Corporate Social Responsibility.
- The policy pertaining to Corporate Social Responsibility of the Company, henceforth called “CSR Policy”, underlines the guiding principles and mechanisms for undertaking various CSR activities/programs by the Company.
- The CSR policy shall be guided by SCL’s corporate philosophy of respect for the individual and the society at large.
- The CSR policy has been formulated in accordance with Section 135 of the Companies Act 2013 read with Schedule VII to the Companies Act 2013 and the CSR Rules 2014, CSR (amendment) Rules 2021 and the relevant amendments / notifications / circulars.

### VISION AND MISSION

SCL is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting projects on, healthcare, promoting education, environmental sustainability, road safety, promoting sports and other rural development activities and special contingencies like Covid, as notified by the Central Government and/or MCA from time to time.

In pursuance of our vision that SCL aspires to be a Responsible Corporate Citizen, we are dedicated towards fulfilling our social objectives and responsibilities through various CSR activities. The Company shall make earnest endeavors to positively impact and influence the society for its sustainable development.

### PURPOSE

The Companies Act, 2013 has brought greater emphasis on CSR with rules that provide guidance on minimum CSR spend, focus areas, implementation mechanism and reporting to the shareholders of the Company.

SCL’s CSR Policy has been designed keeping in view the company’s business vision, its CSR vision and long-term social objectives that the Company wants to achieve. SCL CSR Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism

### CSR COMMITTEE

#### • Constitution of CSR Committee

A Corporate Social Responsibility Committee (“the CSR Committee”) has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The Committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

The composition of CSR Committee shall be disclosed in the Board of Directors’ Report.

#### • Roles and Responsibilities of the CSR Committee

- a) To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above;
- c) To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- d) To review and approve annual budgets with respect to CSR programs;
- e) 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:
  - i. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - ii. The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
  - iii. The modalities of utilization of funds and implementation schedules for the projects or programmes;
  - iv. Monitoring and Reporting mechanism for the projects or programmes; and
  - v. Identifying the areas for upliftment (details of need) and impact assessment, if any, for the projects undertaken by the Company
- f) To ensure that SCL corporate website displays the approved CSR policy of the Company

#### **AREAS OF CSR ACTIVITIES**

The Company is hereby devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes, including but not limited to the following areas:

- i. Eradicating hunger, poverty and malnutrition, promoting 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;
- 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 the 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 arts 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 recognized sports, Paralympic sports and Olympic sports;
- viii. contribution to the 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. Contributions 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; and Contributions to public funded Universities;
- x. Rural Development Projects; and

- xi. Slum area development
- xii. Activities related to promotion of road safety
- xiii. Disaster management, including relief, rehabilitation and reconstruction activities.  
Explanation- spending on creating awareness of prevention of spread of Covid-19 pandemic or any such ancillary activities thereof, shall qualify as CSR activity under the "Disaster management".

Any other projects or activities /areas /subjects specified by the Central Government pursuant to section 135 of the Companies Act, 2013, from time to time.

### **IMPLEMENTATION MECHANISM**

The Company may conduct / implement CSR programs by itself and/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,
- 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;
- 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 having an established track record of at least three years in undertaking similar activities.
- e) any such other method as may be permitted by applicable law from time to time.

The company may collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.

The progress will be reported to the CSR Committee during the committee Meetings. The progress on CSR programs undertaken by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules.

CSR Committee to formulate and recommend to the Board, an Annual Action plan and submit along with CSR budget, which shall include the following namely: -

- List of CSR projects or programme
- Areas where CSR projects to be implemented
- Manner of executing of such programme
- Modalities of utilization of funds and implementation schedules for the projects.
- Monitoring and reporting mechanism for the projects,
- Details of need and impact assessment, if any, of such projects.

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

### **MONITORING AND EVALUATION FRAMEWORK**

- a) The Chief Financial Officer (CFO) will be responsible to provide adequate funds for the CSR programs approved by the CSR Committee.
- b) The CFO shall confirm to the Board / CSR Committee that the funds are utilized as approved by the CSR Committee / Board of the Company.

Company may also collaborate with other Companies for undertaking CSR projects or CSR activities, in such manner that the CSR Committees of respective companies are in a position to report separately as per CSR policy.

### **TRANSFER OF UNSPENT CSR FUND**

Any unspent amount shall be transferred as mentioned below:

ONGOING PROJECT	PROJECT NOT APPROVED
<ul style="list-style-type: none"> <li>▪ Transfer the amount to a special account in the name of <b>“Unspent Corporate Social Responsibility Account”</b> <u>within 30 days</u> of the closure of the year.</li> <li>▪ Aforesaid amount needs to be <b>spent within 3 years’</b> time.</li> <li>▪ if not able to spend then <b>transfer within 30 days</b> of completion of 3<sup>rd</sup> Financial year to PM/National relief funds etc. (as mentioned in Schedule VII of Companies Act).</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Transfer the amount within 6 months</b> of completion of year to PM/National relief funds etc. (as mentioned in Schedule VII of Companies Act).</li> </ul>

[Meaning of Ongoing Project is a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding 3 (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 1 (one) year by the Board based on reasonable justification.]

### EXCESS AMOUNT SPENT

In case, Company spends on CSR activities in excess of its obligation of 2% of average net profit of 3 (three) years, then the Company **can take setoff of such excess spend against the obligation to spend in immediate succeeding 3 (three) financial years’** subject to following conditions:

- a) Excess amount available for setoff shall not include the surplus arising out of the CSR activities, if any and
- b) The Board has to pass resolution to that effect.

### AMENDMENTS TO THE CSR POLICY

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors of the Company. Any or all provisions of this Policy are subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments thereof made from time to time.

Version.3.0 dated 10 May 2021

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CSR POLICY TO BE APPROVED BY COMMITTEE

Sd/-  
**Chairman of the Committee**