



**R.L.FINE CHEM
PRIVATE LIMITED**

**CORPORATE SOCIAL
RESPONSIBILITY (CSR)
POLICY**

Issue No. 01

Rev. No. 01

1. Introduction

1.1. R.L.Fine Chem Private Limited Philosophy

At R.L.Fine Chem Private Limited (the “**Company**”), we are committed to the R.L.Fine Chem Private Limited Group’s ‘**Good & Green**’ vision of creating a more inclusive and greener India. We never lose sight of our responsibility to the environment and society. Our commitments towards **Corporate Social Responsibility (CSR)** includes but is not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

1.2. CSR in India

Corporate bodies’ involvement in CSR activities is not a new concept in India. Industrial majors are engaged in social development activities since long back. However, the Companies Act, 2013 (the “**Act**”) has brought it under the legal purview. The concept of CSR is introduced through “Comply-or-Explain” mandate. It mandates qualifying companies to constitute the CSR Committee to effectively monitor CSR activities of the Company. Further, the Companies (Corporate Social Responsibility Policy) Rules, 2014, as may be amended from time to time, (hereinafter referred to as the “**CSR Rules**”) lay down the framework and modalities for carrying out CSR activities which are specified in Schedule VII of the Act, as may be amended from time to time.

2. Objective and Scope

2.1. Objective

The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR as one of the key focus areas to adhere to the Company’s global interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act, as may be amended from time to time. It covers the CSR activities which are being carried out in India only and includes a strategy that defines plans for future CSR activities.

2.2. Scope & Coverage

The Company may take up any activity as specified under the Schedule VII read with Section 135 of the Act and the changes made thereto, from time to time. Such activities shall include but not limited to the following activities.



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a. Projects which broadly fall under any of the following activities:

- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- ii. promoting education, including special education and employment enhancing vocational 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
- 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. rural development projects
- ix. slum area development.
- x. disaster management, including relief, rehabilitation and reconstruction activities.

b. Contribution to various activities as provided below:

- i. Contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation;
- ii. Contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- iii. 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;
- iv. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or



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State Government or Public Sector Undertaking or any agency of the Central Government or State Government;

- v. 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).

The Company would undertake projects which fall under any one or more of the above activities.

However, the Company shall not take up any project/activity which falls under any of the following:

- a. Any activity which is in the normal course of business of the Company.
- b. Any activity undertaken outside India.
- c. Contribution to any political party.
- d. Any activity which benefits the employees of the Company.
- e. Any sponsorship activities which result in deriving marketing benefits to the products of the Company. However, the Company may state in a non-conspicuous manner that the Company has done the CSR project.
- f. Any activity carried out for fulfilment of any other statutory obligations under any law in force in India.
- g. Any other activity which does not qualify to be CSR expenditure as per the laws of the country, promulgated from time to time.

Guiding Principles:

- a. The project/activity shall be selected from the list of projects/activities identified by the Internal Working committee. The Working committee shall shortlist the activities from the list of projects mentioned the clause 2 of this policy.
- b. While selecting the projects, the geographical area, the beneficiaries, the impact of the project on the beneficiaries and the sustainability of the project in the future years, shall be considered.



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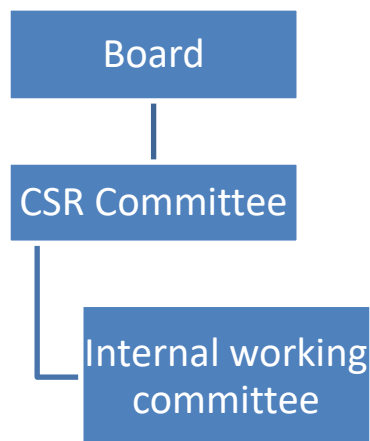
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- c. At the time of selecting the projects, the Board shall also determine whether the said project is an on-going project or otherwise and is also free to make changes to such categorisation after proper justification at the Board meeting.
- d. The implementation of the projects can be directly by the Company or in association with the Company or through implementing agency.
- e. If the implementation is through the agency, a proper due diligence to be made by the internal working committee and the details of due diligence shall be placed before the Committee and the Board
- f. The projects shall be monitored constantly by the internal working committee and shall be placed before the Committee and the Board at quarterly intervals.
- g. The Executive Director shall provide a certificate on the disbursement and utilisation of CSR funds to the approved activities, every year
- h. Any capital asset built in the process of CSR activity will be registered in the name of the beneficiaries or public authority or implementing agency, as the case may be, and shall be decided by the Board
- i. The action plan shall be formulated by the CSR Committee based on the inputs received by the Internal Working Committee and shall be placed before the Board for approval.

3. Governance Structure

The structure of governing the CSR at the Company shall be as follows in the below table. The CSR Committee and the Board of directors shall be held responsible for all the decisions taken with regard to the Company's CSR obligations.





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3.1 Board

The responsibilities of the Board shall include the following –

- Constitute the CSR Committee and designing the terms of reference, frequency of meeting of the Committees, quorum for the Committee meetings.
- Approve the CSR Policy and disclose the contents of its policy in the Company's website, if any.
- Disclose the composition of CSR Committee and contents of CSR Policy in its report and website if any along with the projects approved by the Board.
- Ensure that CSR activities as included in the CSR Policy are undertaken by the Company and spend at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years in pursuance of its policy.
- Provide reasons for not spending the amount in its report and transfer the unspent amount to such funds/ special account as may be specified by the Act.
- Shall satisfy itself that the funds disbursed have been utilised for the purposes and in the manner as approved by it.
- Monitor implementation of the ongoing projects with reference to the approved timelines and year wise allocation.
- Make modifications in the approved timelines and allocation in the ongoing projects within the overall permissible time period.

Approve the annual action plan and alter the plan at any time during the financial year, based on reasonable justification.

3.2 Corporate Social Responsibility (CSR) Committee

3.2.1. Constitution

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 shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors. Accordingly, the constitution of the CSR Committee formed by R.L.Fine Chem Private Limited India is as follows, or as may be amended from time to time:

S.No.	Name of the member	Designation	Designation
1	Mr. Sharat Pandurang Narasapur	Member	Whole time Director and CEO
2	Mr. Anil Jain	Member	Director



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3.2.2 Functions and Powers of Committee

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- a. Formulate and review of the CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- b. Recommend CSR activities as stated under Schedule VII of the Act.
- c. Approve to undertake CSR activities, if necessary, in collaboration with R.L.Fine Chem Private Limited group companies/other Companies/firms/NGOs etc., and to separately report the same in line with the CSR Rules.
- d. Recommend the CSR Budget.
- e. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- f. Create transparent monitoring mechanism for implementation of CSR initiatives in India.
- g. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
- h. Monitor CSR Policy from time to time.
- i. Monitor activities/charter of Internal Working and Monitoring Group (WG) who are authorized to ensure that the CSR activities of the Company are implemented effectively.
- j. Authorize executives of the Company to attend the CSR Committee Meetings, if necessary.
- k. Proper management of surplus arising out of the CSR Projects and ensuring that they do not form part of the business profit of the Company.
- l. Formulation and recommendation of annual action plan to the Board in pursuance of this policy.

3.2.3 Meetings of the Committee

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary;

- a. The CSR Committee shall hold a minimum number of two meetings in a year.



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- b. The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- c. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
- d. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means as may be convenient.

3.3 Internal Working Committee

An Internal Working committee comprising of below mentioned employees of the Company will be set up to ensure effective implementation and monitoring of the projects approved by the CSR Committee from time to time. The members of the Internal working Committee shall be as follows, or as may be amended from time to time:

- a. Mr. Sharat P Narasapur
- b. Mr. Nagaraj Kotian

The Internal Working Committee shall be responsible for the following-

- a. Identification of projects/activities for placing before the Committee
- b. Execution of the CSR projects/ activities
- c. Monitoring of the CSR projects/activities

3.3.1 Reporting by Internal Working Committee

The Internal Working Committee will report/give feedback to the CSR Committee for all CSR projects undertaken.

The Internal Working Committee shall submit reports to the CSR Committee of the Company at least once in six months on the progress of the various projects approved by the Committee and entrusted to the Group for implementation and monitoring.

4. CSR Spent

The CSR Committee shall recommend the amount of the expenditure to be incurred on the CSR activities to be undertaken by the Company, which shall not less than 2% of the average net profits for the last 3 financial years of the Company. If the CSR activity for any year is pertaining to contributions to any specific charitable funds, such contribution cannot exceed 5%



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of the average net profits of the last 3 preceding financial years, without the approval of shareholders by way of special resolution.

Any amount spent towards administration of the CSR projects (excluding designing, implementation monitoring and evaluation of each project) shall not exceed 5% of total CSR expenditure for the financial year or such amount as may be prescribed by law from time to time.

4.1. Failure to spend the CSR Money

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year.

Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

5. CSR Initiatives

Pursuant to Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

5.1. Annual CSR Plan

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company and shall be approved by the Board during first quarter of the financial year based on the recommendation of its CSR Committee which outlines inter alia the following aspects of CSR initiatives of the Company:

- Project Proposals
- Targeted Beneficiaries and their key needs
- Alignment with Schedule VII
- Project Goals and milestones
- Activities and Timelines including expected closure dates
- CSR Budget with projections
- Monitoring mechanism
- Progress reporting and frequency of reports
- Risks and mitigation strategies
- Any other information as may be required by the CSR Committee

5.2. Collaboration

It is expressly allowed under the CSR Rules that the Company may collaborate with any other Company or association formed in this regard subject to approval by CSR Committee, to implement CSR activities and the same shall form a part of the Annual CSR Plan.



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6. Policy review and future amendment

The administration of the CSR Policy of the Company and the execution of identified CSR projects, programs and activities under it shall be carried out under the control and overall supervision of an internal monitoring group formed for this purpose.

The internal monitoring group shall submit its report at least once in a year to the CSR committee formed under the Act, which shall monitor the CSR policy of the Company, from time to time.

Further, the Board of Directors may revise / amend the CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by MCA / Government on the subject.

7. Disclosure/Reports

The Company shall disclose the CSR Committee composition, policy and the projects approved, on the website of the Company and any changes made to the policy are updated on the website as and when the changes are made and approved.

The Company shall submit an Annual Report on CSR Activities for the financial Year which shall form part of the Board report to be prepared for the year. The Annual report shall be in consonance with the format specified in the rules prescribed under the Act.

The End