



CORPORATE

SOCIAL

RESPONSIBILITY

(CSR)

POLICY

OF

SHARDA CROPCHEM LIMITED



Sharda Cropchem Limited - Corporate Social Responsibility Policy:

Sharda Cropchem Limited (the “**Company**”) strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large.

The objective of the Policy is to set guiding principles for carrying out Corporate Social Responsibility (CSR) activities by the Company and also to set up process of execution, implementation and monitoring the CSR activities to be undertaken by the Company.

This Policy was updated in Board Meeting dated 26th May, 2021.

Definitions:

- a. “**Act**” means the Companies Act, 2013, as amended from time to time.
- b. “**Administrative Overheads**” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- c. “**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 these rules, but shall not include the following, namely
 - i. activities undertaken in pursuance of normal course of business of the company
 - ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act.
 - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
 - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- d. “**Net Profit**” means the net profit of a 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.

List of Activities/Projects:

As defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time:

The Company shall undertake any of the following activities namely:

- Eradicating hunger, poverty and malnutrition, promoting 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;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting 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;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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;
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces and Central Para Military Forces veterans and their dependents including widows;
- Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;
- 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 Government for socio economic development and relief and welfare of the scheduled castes, tribes, other economically backward classes, minorities and women;
- 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;



- 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);
- Rural development projects;
- Slum area development;

(For the purposes of this item, 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)

- Disaster management, including relief, rehabilitation and reconstruction activities.
- Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time. (Collectively referred to as "CSR Activities")

The CSR Activity shall be undertaken for the benefit of the public and not only for the employees of the Company and their family. Provided that preference shall be given to the local area and areas where the Company operates for undertaking CSR Activities

Identification of Projects and Implementation Process:

- i. The Company may undertake CSR Activities through a Company established under Section 8 of the Act or a registered public trust or a registered Society registered under Income Tax Act 1961 (having an established track record of at least three years in undertaking similar activities) or established by the Central Government or the State Government or under an Act of Parliament or a State Legislature either singly or either singly or along with any other Company.
- ii. The Company should ensure that the entity covered above has obtained a unique CSR Registration Number from Ministry of Corporate Affairs.
- iii. The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposed and the manner as approved by it and the CFO or person responsible for financial management shall certify the same.
- iv. The CSR Committee shall formulate and recommend to the Board, an annual action plan including the following:
 - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.



- b. the manner of execution of such projects or programmes as specified in point 1 above.
 - c. the modalities of utilisation of funds and implementation schedules for the projects or programmes.
 - d. monitoring and reporting mechanism for the projects or programmes, and
 - e. details of need and impact assessment, if any, for the projects undertaken by the company.
- v. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by a Company established under Section 8 of the Act or Registered Public Trust or Registered Society, having charitable projects and CSR Registration Number or beneficiaries of the said CSR project or public authority.

The Company has constituted a CSR Committee Comprising of below members:

Name	Designation
Mr. Ramprakash V. Bubna	Chairman
Mrs. Sharda R. Bubna	Member
Mr. Shitin Desai	Member

The CSR Committee shall act in accordance with terms as laid down by the Board of Directors of the Company:

CSR Budget:

The Company shall spend in every financial year, atleast 2 % of the average net profits of the company made during the 3 immediately preceding financial years. The total budget for the CSR Projects will be decided by the CSR Committee.

Treatment of Surplus:

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

Excess Spend:

Any excess amount spend may be set off against the requirement to spend under Section 135 (5) of the Act up to immediate succeeding three financial years subject to the conditions that-

- a. the excess amount available for set off shall not include the surplus arising out of the CSR activities mentioned above and
- b. the Board of the company shall pass a resolution to that effect



Disclosure in the Board's Report:

The Board's Report of the Company shall include an annual report on CSR containing particulars as specified by the Act and as amended from time to time.

The Company shall undertake impact assessment through an Independent Agency of their CSR projects having outlays of Rs. one crore or more if the CSR obligation of the Company exceeds Rs. 10 crore or more in the three immediately preceding financial years.

The impact assessment report mentioned above shall be placed before the Board and shall also be annexed to the annual report on CSR.

The Company undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

The Company shall disclose the composition of the CSR committee and CSR Policy and projects approved by the Board on its website.

This policy shall, overall, be governed by Companies (Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time.