



Chemcon Speciality Chemicals Limited
Block No 355, Manjusar Kunpad Road, Village Manjusar,
Taluka Savli, Vadodara, Gujarat-391775, India
CIN: U24231GJ1988PLC011652



CHEMCON SPECIALITY CHEMICALS LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY



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Title and Applicability

Chemcon Speciality Chemicals Limited (the “**Company**”) is well aware of its corporate and social responsibility and recognizes that good corporate governance and corporate social responsibility leads to growing the trust of all stakeholders. The CSR is not only charity or donations but is a strong commitment to contribute to social and environmental growth and prosperity. This CSR Policy has been framed in accordance with Section 135 of the Companies Act 2013 and the Rules framed thereunder. The Policy shall apply to all CSR activities undertaken or sponsored by the Company. This policy, henceforth called “CSCL CSR Policy”, underlines the guiding principles and mechanisms for undertaking various CSR activities/programs by the company.

The Policy shall apply to all CSR Projects/Programs undertaken by the company in India as per Schedule VII of the Act.

The chief purpose of this CSR philosophy is to develop the community in which the Company operates and make a sustainable improvement in the lives of economically, physically and socially challenged people living at the lower end of the society and initiate or support programs that is aimed at creating conditions for better livelihood in these communities. The Company shall also support measures that are aimed at preserving and enhancing the environment, health care and medical assistance and natural resources. The CSR policy shall act as a mechanism for regulating the CSR activities of the Company and adhere to laws and regulation in force and adopt best practices.

Objectives

The objectives of the CSCL CSR Policy are to:

1. Increasingly contribute to activities that are beneficial to the society and community at large.
2. To make effective mechanism for undertaking CSR activities.
3. Engage with the company’s key stakeholders in matters related to CSR activities.
4. Align the CSR activities undertaken by the company with the applicable laws.

Areas of Focus

Annexure-1 of CSCL CSR Policy lists out the detailed CSR activities to be implemented by the company. Such list is indicative and not exhaustive in nature. Also, the CSR activities undertaken shall not be in pursuance of the normal course of business of the company. Further, the programs or activities that benefit only the employees of the company or their families shall not be considered as CSR activities.

The Board of Directors and/or the CSR committee reserve the right to modify, alter or otherwise update the Annexure_1 from time to time, and as it deems fit. If there is any inconsistency between CSCL CSR Policy, Annexure-1 and/or the Indian regulations, the requirements of the Indian regulations shall prevail. In such a scenario, the Board of Directors and/or the CSR committee shall modify, alter or update the CSCL CSR policy and/or Annexure -1 to ensure it meets the requirements of such regulations.

The CSR Committee of Directors (hereinafter referred to as the “CSR committee”) will decide on the activities to be undertaken in each financial year and the budget allocation for the same.

Organization Mechanism

Composition of the CSR committee.

The CSR committee shall be constituted by the Board of Directors of the Company Pursuant to the provisions of Section 135 of the Companies Act, 2013, as amended from time to time. The CSR Committee should consist of three directors.



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Roles and responsibilities of the CSR Committee

The CSR Committee shall be responsible for following functions:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act 2013;
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (1) above
3. To monitor the Corporate Social Responsibility Policy of the company from time to time
4. Identifying modalities of implementing the CSR activities;
5. Proposing budget allocation for the CSR activities, subject to the approval of the Board of Directors;
6. Formulation of an effective monitoring system;
7. Monitoring the progress of the CSR programs on a regular basis;
8. Annually report to the Board, the status of CSR activities and contributions made in the format given in Annexure II.

CSR Expenditure

Subject to applicable laws, the total amount allocated for the expenditure on CSR activities (“CSR Fund”) for each financial year by CSCL ‘s CSR Committee may include the following:

1. Two (2) percent of the average net profits before tax of CSCL made during the three (3) immediately preceding financial years, calculated as per section 198 of the Act read with the Rules.
2. Any income arising there from.

Any surplus arising out of the CSR projects or programs shall not form part of the business profit of the company. The CSR Committee would determine how much of the CSR Fund is to be spent and allocated to various CSR activities to be undertaken in each financial year and obtain necessary approvals from the company’s Board of Directors, if required.

The CSR Committee shall endeavor to give preference to the local areas around which the company’s offices are situated for the CSR activities.

Implementation

The CSR Committee may recommend of the CSR Programs by one or more of the following methods:

1. by the company; and /or
2. By a registered trust or a registered society.
3. Through Program implementation agencies that is a registered trust or a registered society or a section 8 company recognized by the relevant legislation for implementation of CSR activities pursuant to the Companies Act, 2013; and/or
4. In Collaboration with other companies, in a manner that CSCL CSR committee is able to report separately on such projects/programs; and/or



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5. any other method as may be deemed appropriate from time to time or on a case to case basis.

Monitoring and Evaluation Framework

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place. The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities. The respective person handling CSR activity will present their annual budgets along with the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

Amendments

The CSR policy may be amended by the CSR Committee, as and when required, subject to the approval of the Board of Directors of CSCL, but will, at all times, be subject to applicable laws.



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Appendix-1

List of CSR activities which may be undertaken by the company

1. Eradicating hunger, poverty and malnutrition, (promoting health care including preventive health care) and sanitation including contribution to the Swatch Bharat Kosh set up by the central government for the promotion of sanitation and making available safe drinking water;
2. Promoting preventive health care:
3. Provision for operation and treatment for differently disable persons.
4. Enabling access to, or improving the delivery of, public health systems.
5. Promoting education, including special education and employment enhancing vocation skills especially among children, women and elderly, and the differently abled and livelihood enhancement projects.
6. 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.
7. Enduring 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 setup by the central government for rejuvenation of river Ganga.
8. 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;
9. Measures for the benefit of armed forces veteran, war widows and their dependants;
10. Training to promote rural sport, nationally recognized sport, Paralympics sport and Olympic sport.
11. Contribution to the Prime Minister National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
12. Contribution or fund provided to technology incubators located within the academic institutions which are approved by the central government;
13. Rural development projects.
14. Any other projects or activities approved by the central government pursuant to section 135 of the companies act, 2013, from time to time.



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Appendix-II

Format for the Annual Report on CSR Initiatives to be included in the Board of Directors report on CSR to form part of the Annual Report and website of the Company

1. Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.
2. The composition of the CSR Committee.
3. Average Net Profit of the company for last three financial years
4. Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)
5. Details of CSR spent during the financial year:
 - a. total amount to be spent for the financial year:
 - b. amount unspent:
 - c. manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR Project or Activity Identified	Section in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the state and district where projects or program was undertaken	Amount Outlay(budget) project or program wise	Amount spent on projects or programs 1. Direct expenditure on project 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent direct or through Implementing Agency*
1							
2							
3							

* Details of Implementing agency

6. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report.
7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company duly signed by Director and Chairperson of the CSR Committee.

Chairman CSR Committee

CEO or MD or Director