

Corporate Social Responsibility Policy **of** **Sona Gold Agrochem Private Limited**

Introduction

The Companies Act, 2013 (hereinafter referred to as "the Act") under Section 135 has introduced the concept of Corporate Social Responsibility (CSR). It mandates qualifying companies to formulate a CSR Policy and to constitute a CSR Committee to effectively monitor CSR Activities of the Company.

Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lays down the framework and modalities of carrying out the CSR Projects and programs relating to activities specified in Schedule VII of the Act.

As per the Act and CSR Rules, all qualifying companies requires to spend at least 2% of its average net profits made during the three immediately preceding financial years. Sona Gold Agro Chem India Private Limited (hereinafter referred to as "the Company") is also covered under the preview of the said provisions.

This policy would be governed by various applicable provisions of the Act and CSR Rules, for the time being in force.

Objective & Scope

The objective of the CSR Policy is to lay down guidelines for the Company to make CSR activities for making a positive contribution to society through sustainable programs.

The Company is committed to make contribution to the society where we live and work and aspires to continue its tradition of contributing to and investing in communities around its manufacturing facilities. So, the Company intends to take CSR activities which have a lasting impact on the economic and social conditions of local people. All CSR Activities, initiatives, projects and programs should always in promotion of activities specified in Schedule VII of the Act, read with Section 135 of the Act.

This Policy covers current as well as proposed CSR activities to be undertaken by the Company and observing their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India and includes strategy that defines plans for future CSR activities.



The Company proposes to implement its CSR activities in any of the sectors specified Schedule VII of the Act and as decided by the CSR Committee and accordingly identify CSR Projects and design CSR programs.

Effective Date

The policy will come into force with effect from 1st April, 2020.

CSR Committee

Pursuant to the provisions of Section 135 of the Act, the Board of Directors of the Company (hereinafter referred to as "the Board") have constituted the CSR Committee comprising of following members of the Board as member of CSR Committee:

1. Mr. Amar Kasera
2. Mrs. Rekha Kasera

The Board shall have exclusive power to appoint / remove any member of the CSR Committee.

⇒ The CSR Committee will inter alia perform the following activities:

- i) Formation of CSR Policy and recommend the same to the Board for approval.
- ii) Recommendation on CSR Activities in line with the Schedule VII of the Act.
- iii) Recommendation on CSR Expenditure / Budget.
- iv) Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
- v) Monitor spending of allocated CSR Amount, approved by the Board, on CSR Activities in accordance with the Act and CSR Rules.
- vi) Ensure compliance of the Act, CSR Rules and related notifications.
- vii) Appraise the Board regarding any non-compliance of the Act, CSR Rules and related notifications.

⇒ CSR Committee meetings:

The CSR Committee shall meet as and when required.

Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the 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.

Minutes of the CSR Committee shall be placed before the Board for noting



CSR Projects and Programs

The Company understands that being part of the society, it is moral responsibility of the Company to aid and serve the society to the maximum possible extend.

There are several ways to serve the society and the Company believes that the education is one of the basic requirements of every citizen of the country and therefore it recognized as fundamental rights in our constitution. For this, the CSR committee would focus on the following projects and programs:

- Promoting education
- Vocational Sciences
- Information Technology
- Communication Skills
- Career Counseling
- Behavioral Programs
- Co-curricular programs
- Leadership Skills etc.

However, the CSR Committee may decide to implement CSR activities in any of the sectors specified Schedule VII of the Act and accordingly identify CSR Projects and design CSR programs.

CSR Expenditure / Budget

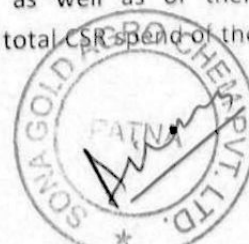
The Act mandates companies meeting the qualification criteria to allocate certain portion of its annual net profits (before tax) during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

⇒ CSR Expenditure

Net profit means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

⇒ Expenditure on CSR capabilities

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure shall not exceed 5% of the total CSR spend of the



Company as stated in CSR Rules from time to time. Determination of whether a particular expenses fall within this 5% cap can be decided in consultation of the Chief Financial Officer of the Company based on the clarification available from time to time in this regard.

⇒ **Failure to spend the CSR Money**

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board specifying the reasons for not spending the amount which in turn shall be reported by the Board in the Directors' Report for that particular Financial Year. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

CSR Activities

- i) The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, and any amendment or all additional and allied matters, as may be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose.
- ii) The Board of Directors of the Company may on recommendation of the CSR Committee, determine / approve the projects or programmes or activities (identified project or programme or activity) to be undertaken by the Company under CSR initiatives, from time to time. However, the Board shall ensure that the projects or programmes or activities undertaken are related and within the broad purview of the activities as stated under Schedule VII or any other relevant provision of the Companies Act, 2013.
- iii) The minimum eligibility criteria for any project or programme or activity and / or other incidental or ancillary matters, including but not limited to quantum of proposed expenditure, shall be finalized by the Board of Directors or any delegate thereof, on recommendation of the CSR Committee.
- iv) The modalities of execution of CSR projects or programmes or activities and implementation thereof shall be determined by the Board of Directors or its Committee (excluding any Board Committee formed for some other specific purpose, however including but not limited to Committee of Directors) from time to time, upon recommendation of the CSR Committee.
- v) The CSR Committee shall frame rules or issue directives with regard to monitoring of the CSR projects or programmes or activities.
- vi) The CSR Committee may by resolution delegate or entrust any of the function, acts, deeds or things, etc. as may be required to be performed or complied by it, whether under Companies Act, 2013 or rules made thereunder or otherwise to any person, whether in employment of the Company or otherwise, and any such function, acts, deeds



or things, etc. performed by such person pursuant to such resolution shall have effect, as if the same has been performed by the Committee itself.

- vii) The Board of Directors of the Company may on the recommendation of the CSR Committee, decide to undertake CSR projects or programmes or activities through a registered trust or registered society or a Company or an associate Company or otherwise (Implementing Agency). Provided that, in such case the provisions relating to Companies (Corporate Social Responsibility) Rules, 2014, are required to be complied with.
- viii) The Board of Directors may on recommendation of the CSR Committee decide to collaborate with other Companies for undertaking CSR projects or programmes or activities.
- ix) While undertaking CSR projects or programmes or activities preference shall be given to the local area or area of operation of the Company. Such area of operation for any identified project or programme or activity shall be finalized by the Board of Directors or any Committee thereof, upon recommendation of the CSR Committee.

⇒ **Collaboration**

The Company may collaborate with any Affiliates and / or subsidiaries of the Company as may be approved by CSR Committee to implement its CSR activities.

The Company may form trust on its own to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities.

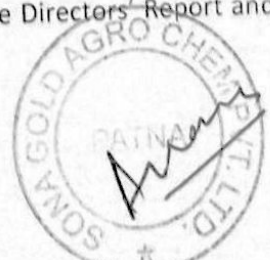
The Company may also collaborate for its CSR activities with any other Company / Trust / Non-government Organization (NGO) as may be eligible and approved by the CSR Committee and the Board.

⇒ **Monitoring Mechanism**

All employees of the Company entrusted with the responsibility to monitor the CSR Activities and representatives of entities with which the Company decides to collaborate for fulfilling its CSR obligations, will be responsible to ensure effective implementation and monitoring of the projects approved by the CSR Committee and also responsible to submit periodic reports to the CSR Committee of the Company on the progress of the various projects approved by the Committee.

Publication

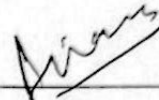
As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.



Amendments

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.

For and on behalf of
Sona Gold Agro Chem Private Limited



Mr. Amar Kasera

Chairman

DIN: 00981209

