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**GHARDA CHEMICALS LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

(Pursuant to Section 135 of the Companies Act, 2013)

**PREAMBLE**

Gharda Chemicals Limited, established in 1967, is an Agro Chemical based company with several manufacturing units.

Gharda Chemicals Limited is committed to the upliftment of the weaker sections of the society and promoting social welfare projects for the benefit of the society at large. The company has been spending fair amount of the profits on such projects.

Dr. K.H.Gharda, the Founder and CMD of Gharda Chemicals Limited has way back embarked on social causes and formed Gharda Foundation, a Public Charitable Trust which has set up a world class Engineering College in Rural Maharashtra. Gharda Foundation has also taken various projects for empowering the under-privileged and improving the living conditions of the weaker section of the society.

**INTRODUCTION**

In accordance with Section 135 of the Companies Act, 2013 and Schedule VII of the Companies Act, 2013, the Company's Corporate Social Responsibility Policy (CSR) is enunciated hereunder:

**OUR CSR POLICY**

Gharda Chemical Limited shall strive to reach out to the under-privileged, needy and weaker sections of the society and to address the social, educational, cultural, environmental and economic needs of such sections of the Society. The company shall give preference to the local area of it operations.

**OBJECTIVES**

Needless to say that our company has been making contributions to various charitable institutions for furtherance of their objects in the normal course of business. However, as required by the Companies Act, 2013, our contribution to the CSR will be in addition to the existing contribution for various social activities already undertaken by the Company. The CSR Projects for the employees of the Company will not be reckoned as CSR.

The main objectives of our CSR Policy is to reach out to the under-privileged, needy and weaker sections of the Society and to address the social, educational, cultural, environmental and economic needs of such society. The company shall give preference to the local area of its operations in order to increase the company's socially responsible image. Our objectives shall be within the framework of the Companies Act, 2013 as amended from time to time.

**Key areas which will be covered under the Company's CSR policy will be as per Schedule VII (as amended from time to time) of the Companies Act, 2013 which are as follows;**

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 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) 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;

(a) 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 Government; and

(b) 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).

ix) rural development projects and slum area development.

*Explanation.* - 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.

x) disaster management, including relief, rehabilitation and reconstruction activities.

### **BOARD LEVEL CSR COMMITTEE**

Our CSR governance structure will be headed by the Board Level CSR Committee that will be ultimately responsible for the CSR Projects undertaken. The CSR Committee will consist of the following directors:

Dr. K.H. Gharda	Managing Director (Chairman)
Mrs. A.H.Patel	Director
Mr.Yashwant Bhawe	Independent Director.
Mr.Nilesh Kulkarni	Director
Mr.Diwakar K Shenoy	Director

### **RESPONSIBILITIES**

The CSR Committee will be responsible for.

1. Formulation and Updation of CSR Policy.
2. Recommendations of projects in line with the CSR Policy.
3. Monitoring Mechanism and tracking programme.
4. Recommendation of CSR expenditure to the Board – Annual Action Plan.
5. Review of the CSR Policy at least once in a year
6. Impact Assessment.

### **BUDGET PROVISION**

The total Budget for the CSR Projects will be recommended to the Board by the CSR Committee. For this the CSR Committee shall meet in the beginning of each year and review, recommend the CSR programmes identified and allocation of funds for approval of the Board.

### **TREATMENT OF SURPLUSES**

Any surplus generated from CSR Projects undertaken by the company will be tracked and channelized into CSR Corpus. These funds will be further used in the development of the CSR projects and will not be added to the normal business profits.

### **GEOGRAPHIES AND TARGET COMMUNITIES:**

The geographical focus of the Company's CSR activities will be where we have a significant presence. The company has manufacturing factories at Maharashtra Gujarat and Jammu. However, the products are sold and consumed all over India.

## **CSR EXPENDITURE, TREATMENT OF SURPLUS AND SETTING OFF OF EXCESS SPENT:**

The Company, in every financial year, spends at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the CSR Policy. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The unspent amount shall be transferred to the Funds/Accounts as specified in the Companies Act, 2013 and applicable Rules.

The administrative overheads not to exceed 5% of total CSR expenditure of the Company for the financial year relating to the general management and administration of CSR functions in the Company.

Where the Company spends an amount in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under section 135(5) up to immediate succeeding three financial years subject to certain conditions.

## **IMPLEMENTATION & MONITORING:**

### ***Implementation***

The Company will implement its CSR activities in a number of ways i.e. Directly through our in-house teams and through qualified implementing agencies including our own Trusts, societies and section 8 companies, GCL's subsidiaries, and through external expert agencies and partners.

Subject to Applicable Laws, GCL may collaborate with other companies for undertaking projects or programmes or CSR activities, provided that the CSR committee of GCL, shall separately report to the Board, such projects or programmes that have been undertaken as GCLs' CSR Activities.

In case the Company undertakes any CSR Activity through any Implementation Agency, then such Implementation Agency shall satisfy the requirements prescribed under the Applicable Laws and shall be approved by the Board.

### ***Monitoring***

The Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee of the Board which formulates and recommends to the Board the CSR policy and the annual action plan.

The CSR committee to monitor the progress of the annual action plan and the multi-year programs, their manner of execution, modalities of utilization of funds and implementation schedules along with details of need and impact assessment for projects as required.

The funds to be disbursed shall be utilised for the purposes and in the manner as approved by the Board. The Chief Financial Officer or the person responsible for financial management shall issue the certificate to the Board every year certifying that the funds disbursed are utilized for the purpose and in the manner as approved by the Board.

The CSR Committee of the Company will receive regular progress reports of all CSR activities of the Company. Implementation of this policy will be monitored and reviewed periodically at the corporate offices and manufacturing plants. The monitoring process will cover both programme and financial reviews.