

**ARCHEAN CHEMICAL INDUSTRIES LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

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## 1. Preamble

Corporate Social Responsibility (CSR) is the affirmation that the **Archean Chemical Industries Limited** is committed to its stakeholders to conduct its business operations in an economically, socially and environmentally sustainable manner.

The Corporate Social Responsibility Policy of **Archean Chemical Industries Limited** is formulated in accordance with the provisions of section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014.

## 2. Objective

- a) To create positive and sustainable impact on society and invest in improving lives of nearby community
- b) To engage with nearby community in indentifying local needs and requirements
- c) To identify opportunity and initiatives to enhance - Social, Environmental and Economic Value to the Society along with desired impact
- d) To Institute a process and a suitable mechanism for the implementation and monitoring of the CSR activities.

## 3. Composition of Committee

Pursuant to the proviso to subsection 1 of section 135 of the Companies Act 2013, the CSR Committee of the Company shall consist of three or more directors out of which one director shall be an independent Director. Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.

## 4. Meetings and Quorum

The CSR Committee shall meet at least once in a financial year.

The quorum for the Corporate Social Responsibility 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

The Company Secretary shall play the role of Secretary to the Committee and assist the Committee in convening the meetings and recording the proceedings.

## **5. Duties & Responsibilities of the CSR Committee**

The Duties and Responsibilities of the CSR Committee are to

- a) Formulate this CSR Policy and recommend to the Board for approval
- b) Identify focus areas for CSR activities along with desired long term impact on society  
Recommend CSR budget and 3 year projections to the board
- c) Institute a transparent mechanism for implementation and effective control of CSR activities
- d) Ensure that the CSR Expenditure is in line with Regulatory Requirement
- e) Ascertain the effectiveness of the programme through surveys and carry out impact assessment.
- f) Prepare and submit an Annual Report to the Board on the CSR activities in a specified format from time to time.

## **6. Responsibilities of the Board**

The Board will have the following responsibilities

- a) Formally approve the CSR Policy and Budget for CSR activities as recommended by the CSR Committee.
- b) Confirm that such activities fall under the specification of the schedule VII or in the opinion of the Board that it may qualify as CSR activities as per MCA General Circular No.21/2014 dated 18<sup>th</sup> June 2014.
- c) Ensure that company meets all regulatory requirement as stipulated by various acts from time to time (e.g. currently at least 2% of average net profits made during the last 3 financial years are spent on the CSR activities).
- d) Assure that the contents of the CSR policy and its activities are promptly displayed in the website.
- e) Ensure that an annual report on CSR activities is included in the Directors' Report every year in the prescribed format.
- f) The Board shall undertake CSR activities directly or through a Trust or in association with any other society or authorized arrangement.

## 7. Archean Foundation

As a responsible corporate citizen of India, **Archean Chemical Industries Limited** is committed to ensure implementation of CSR activities in the surrounding villages of the factories of the Company situated in Gujarat. To streamline CSR activities and for better control, **Archean Foundation** has been constituted in the year 2016 vide registration certificate No.E/2822/Kutch dated 13<sup>th</sup> May 2016 issued by Dy. Charity Commissioner-Bhuj. Further Archean Foundation has been granted 80G exemption certificate under Income Tax Act vide letter dated 28<sup>th</sup> November 2016 issued by the Office of the Commissioner of Income Tax, Ahmedabad.

In addition to carrying out the CSR activities directly by the Company, the Company may also carry out its CSR activities through Archean Foundation.

The **Archean Chemical Industries Limited** has so far carried out various CSR activities through Archean Foundation and also received appreciation from the Government authorities recognizing its active participation towards Corporate Social Responsibility.

## 8. CSR Expenditure

The norms for CSR Expenditure shall be as detailed below and subject to change as may be directed by the government from time to time.

- a) To spend 2% of the average net profits declared in the company's profit and loss statement in the immediately preceding 3 years
- b) The CSR expenditure shall also include contribution to the Archean Foundation for carrying out the CSR activities.
- c) Archean Foundation will be bound to carry out activities as per companies act for the contribution made by **Archean Chemical Industries Limited**.
- d) The employees can also contribute to the CSR expenditure of the Company in addition to clause (a) above.

## **9. CSR Activities**

Our CSR policy proposes to carryout related activities chosen from Schedule VII to the Companies Act 2013, including amendment from time to time and such other activities that may in the opinion of the Board qualify as CSR activities as per MCA General Circular No.21/2014 dated 18<sup>th</sup> June 2014.

## **10. Not qualified as CSR Activities**

The following activities **DO NOT** qualify as CSR activity

- Any activity other than specified in the schedule VII and in the opinion of the Board not qualified as CSR
- Activity done in the normal course of business
- Any activity benefitting only the employees of the Company and their families
- Contribution to any political party directly or indirectly.

## **11. Enhancing CSR Team Capabilities**

An amount not exceeding 5% of the total CSR expenditure may be spent through any institution with established track record for enhancing the skills and capabilities of the Company employees in implementing the CSR activities.

## **12. Reporting of CSR**

Details of CSR activities undertaken in every financial year shall be entered in a format prescribed from time to time and included in the Annual Report. The Board Report will contain a responsibility statement from the CSR Committee on the implementation, monitoring and compliance of the CSR objectives of the Company.

## **13. Website Display**

Company shall display through a link on its website the contents of its CSR policy and all relevant information as may be required. The web link should also be updated regularly.

## **14. Review and Audit**

- a) The CSR Committee shall be subject to appraisal. The policy contents and implementation progress shall be monitored.
- b) The Company through internal controls, monitoring and evaluation systems – will implement, assess, document and report the impact of its CSR activities.
- c) Records relating to CSR activities and its expenditure shall be meticulously maintained and should be submitted for reporting and auditing purposes.
- d) The implementing agencies other than the Company if any involved shall also be subjected to financial audit.
- e) The Company may appoint independent external consultants for carrying out such audits.

## **15. Amendments**

CSR Policy of the Company may be reviewed and amended from time to time within the purview of Government directives and the Company's policies.

Place: Chennai  
Date: 9<sup>th</sup> July 2019

Sd/-  
Archean Chemical Industries Limited