INDIAN ACRYLICS LIMITED
Corporate Social Responsibility Policy

I. Preamble/ Philosophy

Indian Acrylics Limited (IAL) believes in Corporate excellence and social welfare. This corporate philosophy is the force for integrating Corporate Social Responsibility (CSR) into IAL values, culture, operation and business decisions at all levels of the organization. Being a responsible corporate citizen, IAL has a value system of giving back to society and improving life of the people and the surrounding environment.

IAL believes that the corporate strategy which embraces social developments an integral part of the business activities ensure long term sustainability of business enterprises. With this belief IAL is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

2. CSR Policy

In compliance to the provisions of Section 135 of the Companies Act, 2013 and rules framed there under, the company has constituted a Corporate Social Responsibility (CSR) Committee to do the followings:

(i) Formulate and recommend to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

(ii) Recommend the amount of expenditure to be incurred on the activities referred in CSR policy and

(iii) Monitor the CSR policy from time to time.

The Board of Directors of the Company, after taking into account the recommendation made by Corporate Social responsibility Committee , approve this Corporate Social Responsibility Policy for the company

3. Definitions

(a) “Act” shall mean the Companies Act, 2013 including any modifications, amendments or re- enactment thereof.

(b) “Rules” shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any modifications, amendments or re-enactment thereof.

(c) “Company” The word “This company” , “The company”, “Company” , wherever occur in the Policy shall mean Indian Acrylics Limited.

(d) “IAL” means Indian Acrylics limited

(e) “Corporate Social Responsibility (CSR)” means and include but is not limited to:-

(i) Projects or programs relating to activities specified in Schedule VII to the Act, or

(ii) Projects or programs relating to activities undertaken by the Board of Directors of a Company (Board) in pursuance of recommendation of the CSR Committee of the Board as per declared policy of the company, subject to the conditions that such policy will cover subjects enumerated in the Schedule VII of the Act.

(iii) “CSR Committee” means the Corporate Social Committee of the Board referred to in Section 135 of the Act.

(iv) “CSR Policy” relates to the activities to be undertaken by the company as specified in Schedule VII of the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the company.

4. **Interpretation**

Words and expression used and not defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 or rules made thereunder and any amendment thereto from time to time.

5. **Guidelines**

(a) CSR Activities

The CSR initiatives of the company are identified in consultation with the management , social experts, community and other stakeholders. It shall be undertaken by the company, as projects or programs or activities (either new or ongoing).

The identified focus areas for the company are:-

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;

2. Promoting education, including supplement education and vocational training for children, training of teachers and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;

3. 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;

4. 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;

5. 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, skill development of craftsman, artisans;

6. Measures for the benefit of armed forces veterans, war widows and their dependents;

7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;

8. Contribution to the Prime Minister's 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;

9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

10. Rural development projects including but not limited to contribution to vocational trainings, training of farmers;

11. Slum area development;

(b) CSR Expenditure

The company shall spend in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years on CSR projects in accordance with the policy. Surplus, if any, arising out of the CSR projects, programmes or activities shall not form a part of the business profits of the Company and will be ploughed back into the CSR activities.

For this purpose, the Company shall open a separate bank account and all the CSR expenditure will be routed through that specific Bank Account. However, in exceptional circumstances, the company can also make the payment towards CSR expenditure through its other normal Bank Accounts.

Payments shall be made directly to the CSR Partners and/or the beneficiaries, as the case may be, from the aforementioned bank account.

The CSR Committee shall decide the signatories to the bank account opened by the Company for this purpose and make recommendations to the Board of Directors thereon. The decision of the Board of Directors of the Company on the signatories to the bank account shall be final.

In the event Company is unable to spend the amount earmarked for the CSR Activities in a financial year, the CSR Committee shall submit a report in writing to the board of directors of the Company specifying the reasons for not spending the amount, which in turn shall be reported by the board of directors of the Company in their report to the shareholders of the Company for that particular financial year.” The unutilized amount, if any, in any financial year shall be carried forward to the next financial year.

(c) Implementation Process:-

The company shall undertake CSR activities in any one or more of the following manners:-

(i) The Company may carry on CSR Activities through a registered trust or a registered society or a Company established by the company under Section 8 of the Companies Act, 2013.

(ii) The company may carry on CSR Activities through any other Registered trust or a registered society or a section 8 company (or erstwhile Section 25 company), which is /are not established by the company, provided such trust or society or section 8 company (or erstwhile section 25 company) is having a track record of at least three years in carrying out activities in related areas. While engaging with such type of trust or society or section 8 company, IAL will evaluate the credentials of the implementing entity and seek following documents, information and details:

- Memorandum/Article of Association or Constitution
- Registration Certificate
- Registration Certificate under Section 12A
- Audited Accounts of last three years
- IT Exemption Certificate under Section 80G
- Pan Card
- IT Exemption Certificate under Section 35(i)
- Acknowledgement of Income Tax Return along with IT Return filed (last three years.
- FCRA Certificate (if any) and latest copy of FCRA Return FC-3, if available.

(iii) The company may also collaborate with other Companies to undertake CSR projects or programs or CSR activities , provided the CSR Committees of the respective Companies are in

a position to report separately on such projects or programmes or activities;

(d) Monitoring mechanism

The implementation of the CSR policy and execution of projects, programmes and activities undertaken by the Company shall be carried out under the overall superintendence, control and guidance of the CSR Committee. The CSR Committee shall closely monitor such activities and may also further depute company's employee, constitute internal monitoring groups and/or sub-committees for different projects, programmes and activities, as may be required from time to time. The CSR Committee shall meet at least twice in a year to monitor the implementation of CSR Plan and its activities.

The minutes of the meetings of the CSR Committee shall be placed before the Board of Directors for their information.

The CSR Committee shall place before the Board, a draft annual report on CSR activities as per the specified format, in a board meeting to be held in April / May of the following year for Board's review and finalization. The Board shall include in its report to the shareholders, the annual report on CSR activities as per the format specified under the Rules.

The CSR Policy may be modified from time to time by the Board of Directors of the Company on the recommendation of the CSR Committee. The contents of the CSR policy as amended from time to time shall be disclosed in the Board's Report and shall also be placed on the company's website.