

ASHAPURA MINECHEM LTD.

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**
(CIN: L14108MH1982PLC026396)

Corporate Social Responsibility Policy

I. Preamble:

The Ashapura Group has believed in the principle of paying back to the Society by contributing towards a sustainable and beneficial growth for the betterment of humanity and the environment.

Our Vision is '**Value beyond Mining**' and the company actively seeks the opportunities to share its success with the communities in areas where it operates. The Company is committed to Value beyond Profits as the Company ploughs back its funds into social welfare schemes inter-alia in the States of Gujarat and Maharashtra.

This Corporate Social Responsibility Policy ('Policy') of the Company has been formulated in accordance with Section 135 of the Companies Act, 2013 ('Act') read with the Companies (Corporate Social Responsibility Policy), Rules, 2014 ('Rules') to lay down the guidelines for undertaking Corporate Social Responsibility (CSR) activities at Ashapura. This Policy lays down the guideline principles for social welfare programs/projects initiated by the Ashapura Group through its Trusts/Foundation for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

II. Objectives:

The Objectives of the Policy are to:

- Define the Company's framework for CSR
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting requirements as prescribed in the Act and Rules framed thereunder
- Ensure an increased commitment at all levels in the organisation to carry out its business operations in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- Undertake CSR activities largely in and around mining sites and operational areas of the Company
- Creating opportunities for employees to participate in socially responsible initiatives.

III. Scope and Applicability:

This Policy is applicable to all the CSR projects/programmes undertaken by the Company through its Trusts/Foundation which inter-alia include Kutch Navnirman Trust, Ashapura Foundation, Hiralaxmi Memorial Foundation subject to provisions of the Act, Schedule VII and Rules made thereunder.

IV. CSR Activities of the Company:

The Company will carry out its CSR initiatives through the programs/projects through its Trusts/Foundation in the field of areas which inter-alia include:

- a. Promotion of Education
- b. Medical & Healthcare Service
- c. Women Education and Empowerment
- d. Women and Child Care
- e. Relief & Rehabilitation
- f. Agricultural Development, Water harvesting and Animal care
- g. Promotion & Preservation of Art & Culture
- h. Social Awareness Programmes

V. CSR Budget/Fund Allocation:

The Company shall spend in every financial year not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity/projects/programs shall not form part of the business profits of the Company.

In case the Company fails to spend all or any part of the budgeted amount in a financial year, the Board of Directors of the Company shall specify the reasons for the same in its Report to the Shareholders of the Company.

CSR Committee will recommend the annual budgeted expenditure project wise to the Board for its consideration

The budget would be in compliance to the statutory requirements as defined from time to time.

VI. Governance Mechanism:

In order to ensure effective implementation of CSR Policy, the Board of Directors of Company at its meeting held on 14th October, 2014 has constituted a Committee called "Corporate Social Responsibility Committee" ('CSR Committee') consisting of 3 Directors out of which 1 is an Independent Director in accordance with the provisions of Section 135 of the Companies Act, 2013.

❖ Composition of CSR Committee:

The governance for the CSR projects/programs will be headed by the CSR Committee of the Board which consists of the following Members:

Sr. No.	Name of Member	Designation
1.	Shri Harish Motiwalla	Chairman
2.	Shri Chetan Shah	Member
3.	Shri Rajnikant Pajwani	Member

The CSR Committee, along with the CSR team, is responsible for the decision making with respect to the CSR policy of the Company.

The CSR Committee will meet twice in a year to discuss and review the CSR projects/programs/activities and the Policy. The quorum of 2 Members is required for conducting proceedings of the meeting. The Committee shall have authority to call such employee/s, senior official/s, as it may deem fit. The Company Secretary shall act as a secretary to the Committee.

Role & Responsibilities:

- (i) To formulate and recommend a CSR Policy to the Board which shall provide an indicative list of broad activities to be undertaken by the Company in line with the CSR Policy of the Company;
- (ii) To recommend the project wise budget/expenditure to be incurred during the year;
- (iii) To monitor the CSR policy of the Company from time to time and recommend modifications to the CSR Policy, as and when required.

❖ **CSR Team:**

CSR Team means and inter-alia includes employees of the Company and/or its associated registered trust, society or companies established by the Company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013 or Section 25 of the erstwhile Companies Act, 1956.

The CSR Team will be responsible for the execution of the decisions taken by the CSR Committee and will ensure its effective implementation.

Role and Responsibilities:

- (i) To be the central point of co-ordination for handling the Company's CSR programs/projects/activities under the guidance of CSR Committee;
- (ii) To interface with the various organizational units internally and externally to ensure effective implementation of projects undertaken;
- (iii) To interface with the CSR Committee to obtain necessary approvals and resolutions as may be required;
- (iv) To report to the Management on the progress made in respect of the CSR activities throughout the year;
- (v) To assist the CSR Committee in identifying the projects/programs and planning the annual budgets for CSR activities to be undertaken by the Company.

❖ **Board of Directors:**

Role and Responsibilities:

- (i) To consider and review recommendations made by the CSR Committee;
- (ii) To approve the CSR Policy of the Company and ensure that every financial year the funds committed by the Company for CSR activities are utilized effectively by regularly monitoring the implementation;
- (iii) To disclose the content of the policy in Company's report & website as per the prescribed format and also disclose the reasons for underspending/not spending of the allocated CSR budget in its report;
- (iv) To ensure annual reporting of CSR in its Report as per the prescribed format.

VII. Project Identification and Monitoring:

- (i) Every year, the CSR Committee will place a CSR Plan defining the CSR Programmes/Projects/Activities to be carried out during the financial year and the specified budgets thereof to the Board for its approval.
- (ii) The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
- (iii) The CSR Committee and/or Management Team will assign the task of implementation of the CSR Plan within specified budgets and timeframes to CSR Team and/or such other persons or bodies as it may deem fit.
- (iv) CSR Team and/or such other persons/bodies to which the implementation is assigned will carry out such CSR Programmes as directed and will report back to the CSR Committee/Management on the progress thereon at such frequency as the CSR Committee/Management may direct.
- (v) CSR Team will provide a status update to the CSR Committee on the progress of implementation of the approved CSR Programmes atleast once in every six months.
- (vi) The CSR Committee shall be responsible to review such reports and keep the Board apprised of the status of implementation of the same.
- (vii) The CSR Committee will submit its report to the Board at the end of every financial year.

VIII. CSR Reporting:

The Board of Directors of the Company shall, as a part of its Report, provide an annual report on CSR in the format prescribed under the Rules framed under the Act, as amended from time to time.

The CSR Policy and programs will also be displayed on the website of the Company as per the format prescribed under the Rules.

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