

**CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY) OF
THE TRAVANCORE-COCHIN CHEMICALS LIMITED**

I. PREAMBLE

Corporate Social Responsibility (CSR) is fundamentally a philosophy or a vision about the relationship of business and Society. The emerging concept of CSR requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into company's business process.

Pursuant to Section 135 of the Companies Act, 2013 and the rules made thereunder, every company which meets the criteria as mentioned in the said Section shall constitute a CSR Committee of the Board for implementation of CSR projects or programs or activities undertaken by the Company.

This policy is designed to discharge the Company's responsibility as a corporate citizen and to lay down the guidelines and mechanism for carrying out socially useful activities / projects and programs for welfare & sustainable development of community at large.

The terms, rules and regulations mentioned in this policy are as per the Companies Act, 2013 and rules made thereunder.

II. ROLE OF CSR COMMITTEE

The CSR Committee constituted in pursuance of Section 135 of the Companies Act, 2013 and the rules made thereunder shall carry out the following activities:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in compliance with Sec.135 of the Act.
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) to be undertaken by the Company; and
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- d) Prepare a transparent monitoring mechanism for ensuring implementation of the CSR Projects or Programs or Activities undertaken by the Company.
- e) Where the amount to be spent under Clause V(1) does not exceed Rupees Fifty Lakh, the functions of the CSR Committee shall be discharged by the Board of Directors.

III. MEMBERSHIP & CHAIRMAN

- a) The Committee shall consist of three or more Directors, out of which at least one shall be an Independent Director.
- b) The members of the CSR Committee shall elect one of them as the Chairman of the Committee.
- c) The Committee may delegate its responsibility to any senior or key managerial person as and when deemed fit or a Sub-committee may be constituted by the Committee for implementation of CSR Programs.
- d) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements.
- e) The Committee shall meet as and when required. Minimum two (2) members shall constitute a quorum for the Committee meeting. The committee may transact business(es) through circular resolution.
- f) Composition of the Committee shall be disclosed in the Annual Report.
- g) Term of the Committee shall be continued unless terminated by the Board of Directors.

IV. CSR Activities

A. The CSR activities of the company shall be undertaken by the Company in accordance with provisions of Schedule VII of the Act. The primary target area of CSR activities of the Company should be in and around the Company's locality. However, in the interest of the community, the CSR activities can be extended as far as possible to cover the entire community, block, district and state in which the company operates.

The following parameters shall be considered for identification and selection of CSR activities;

- 1) Thrust shall be given, wherever possible, to those areas which are related to the business of the company.
- 2) Investment in CSR activities shall be as per the provisions of the Act and Rules thereon.
- 3) CSR activities shall generate community goodwill, create social impact and visibility.

- 4) CSR activities should help in building a positive image of the company among the public.
- 5) CSR projects may be closely linked with the principles of Sustainable Development based on the immediate and long term social and environmental consequences of company's operations.

B. The Company may undertake any of the following activities specified in Schedule VII to the Act as its CSR activities:

(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;

(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 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;

(ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.

(x) rural development projects

(xi) 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.

C. The CSR activities shall be undertaken within India.

D. The CSR projects or programs or activities that benefit only the employees of the Company and their families or activities undertaken in pursuance of normal course of business of the Company shall not be considered as CSR activities in accordance with this policy or under Section 135 of the Companies Act, 2013.

V. AMOUNT OF EXPENDITURE TO BE INCURRED ON THE CSR ACTIVITIES:

1. The Board of the Company shall ensure that the Company spends the following amounts for CSR activities in pursuance of this Policy:

i) In every financial year, at least two per cent of the "average net profits" of the Company made during the three immediately preceding financial years. The average "net profits" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013 and the rules made there under from time to time.

ii) Any income arising from the activities mentioned above.

iii) Surplus arising out of CSR activities.

2. Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013, shall not be considered as CSR activity.

3. Amount spent on CSR activities shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

4. Any surplus arising out of the CSR activity will not be part of the business profits of the Company.

5. The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

VI. MODALITIES OF EXECUTION AND IMPLEMENTATION:

1. CSR activities may be initiated / implemented/ executed as follows:

i) By the Company directly; or

ii) Through:

a) A registered trust, registered society or a company established by the Company under Section 8 of the Companies Act, 2013.

b) If such trust, society or a company is not established by the Company the eligible CSR activities will be undertaken by trust, society, company or other external registered entities which has an established track record of three years in undertaking CSR projects or programs.

In such cases, the Company will specify the CSR Programs which may be undertaken by those entities in accordance with their Objects and administrative and accounting processes laid down in the respective Trust Deed/ Memorandum and Articles of Association.

iii) The Company may also collaborate with other companies or specialized agencies viz. Voluntary agencies, Non-Governmental Organizations Self Help Groups or other Community based organizations, Academic Institutes/organizations, Trusts, Societies etc. having established track records of minimum 3 years and good reputation.

In such cases, the Company's part in such activity shall separately be identified. An agreement / contract or any other written communication may be executed by the Company with the implementing agencies.

iv) CSR capacities may be built of company personnel as well as those of implementing agencies through institutions with established track record of at least three financial years but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

2. CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.

VII. Internal Committee

The Board's CSR Committee may constitute an Internal Committee for CSR activities, consisting of personnel of the company to support the CSR Committee.

VIII. Governance and Monitoring

1. Every year, the CSR Committee will place for the Board's approval, a CSR Action Plan under Rule 5(2), delineating the CSR activities and programs to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Action Plan with any modification that may be deemed necessary.
2. It will be the responsibility of the CSR Committee to monitor periodically the implementation of the projects / programs / activities under this CSR policy and to ensure compliance of the provisions related to CSR mentioned in the Companies Act, 2013 and rules made there under from time to time.
3. The progress of CSR initiatives and activities will be reported to the Board on a regular basis.
4. All proposed CSR activities should be in line with the Annual CSR Action Plan under Rule 5(2) approved by Board of Directors. If any CSR activities which are outside the purview of Annual Plan, prior approval on the same should be secured either from CSR Committee or Board of Directors before implementation. If any such activities implemented based on approval from CSR Committee alone, the same shall be placed before Board Meeting for its ratification.
5. The Internal Committee will assign the task of implementing CSR activities within specified budget and timeframe to such persons or bodies as it may deem fit and the assignee shall carry out such CSR activities as determined by the Internal Committee.
6. The Internal Committee shall review the implementation of the CSR Programs periodically and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programs in accordance with this Policy.
7. Atleast once in every six months, the Internal Committee will provide a status report to the CSR Committee on the progress of implementation of the approved CSR activities carried out during six month period. The primary responsibility of monitoring the CSR policy and activities thereon is vested upon the CSR Committee.

IX. ROLE OF THE BOARD:

The role and responsibility of the Board shall include:

1. Approval of CSR policy & Annual CSR Action Plan after taking into account the recommendations of the CSR Committee.
2. Ensure that the contents of the CSR policy is disclosed in Board's report and are displayed on website of the Company in the manner prescribed under the applicable statute.

3. Ensure that the CSR activities are undertaken and executed by the Company as per this CSR policy and the applicable laws.
4. Specify in the Board's report, the reasons, if the required amount is not fully spent in CSR activities.

X. CSR REPORTING:

The Board's report shall include an annual report on CSR containing the following particulars:

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
2. The composition of the CSR Committee
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years)
5. Details of CSR Spent during the financial year
6. In case the company has failed to spend 2% of the average net profit of the last three financial years, reasons thereof.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

XI. CONCLUSION

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time.

The Board will review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

Amendments to the Policy :

Board Meeting dt. 25.09.2021-

- 1) Inserted a new Sub Clause "e" after "d" in Clause **II. ROLE OF CSR COMMITTEE**
"e) Where the amount to be spent under Clause V(1) does not exceed Rupees Fifty Lakh, the functions of the CSR Committee shall be discharged by the Board of Directors."
- 2) The word "CSR Plan" replaced by "CSR Action Plan under Rule 5(2) " in Clause **VIII. Governance and Monitoring** and the word "CSR Action Plan" to replace "CSR Plan" wherever it appears in the CSR Policy.