



apcotex industries limited

Corporate Social Responsibility Policy

Approved on: 5th February 2015

Revision 1: 25th April 2019

Revision 2: 6th May 2021

OBJECTIVES:

Apcotex Industries Limited (“AIL” or “Company”) 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. The CSR policy of the company is laid out as under.

CONSTITUTION AND PURPOSE OF CORPORATE SOCIAL RESPONSIBLE (CSR) COMMITTEE:

Keeping in line with provisions Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time, the Board of Directors of the Company shall form a Corporate Social Responsibility Committee (hereinafter referred to as the “CSR Committee”) comprising of three or more directors out of which at least one director shall be an independent director, to inter alia, carry out the following primary functions:

1. Formulate and approve revisions to the CSR Policy and recommend the same to the Board for its approval;
2. Formulate and recommend an Annual action plan alongwith Budgeted CSR Expenditure (including any revisions thereto) to the Board for its approval;
3. Identify projects of the Company as ‘Ongoing Projects’;
4. Recommend the annual CSR expenditure budget to the Board for approval;
5. Approve unbudgeted CSR projects where the annual outlay is more than Rs. 1 Crore but not exceeding 10% of the total CSR budget for the financial year;
6. Review implementation of CSR activities of the Company within the applicable framework;
7. Nominate a CSR Internal Monitoring Group and advise the team for effective implementation of the CSR Programs.
8. Set monitoring mechanisms in place to track the progress of each project and track these projects at such intervals as may be required.

CSR ACTIVITIES

The CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of schedule VII of Companies Act, 2013, read with The Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time, . These programs will be executed by the Company and where appropriate in partnership with local government, various NGO partners, service providers and others.

The CSR projects of programs of the Company would broadly fall under 4 major themes – (1) Healthcare (2) Education & Vocational Skills and (3) Social Projects in the local area around our Taloja MIDC plant, Maharashtra and Valia plant, Gujarat (4) Contributions or funds provided to Technology Incubators located within academic institutions which are approved by Central Government. The projects, programs and their implementation modalities may be modified from time to time, as per recommendations of the CSR Committee of the Company.

IMPLEMENTATION

Subject to the provisions of the Companies Act, 2013 as applicable from time to time, the Company may carry out its CSR activities :

- (a) Either by itself; OR
- (b) through such Implementing Agencies permitted under the Companies Act, 2013; OR
- (c) in collaboration with other Companies.

CAPACITY BUILDING:

The Company may build CSR capacities of its own personnel by training its staff to think strategically about how and where the money is being spent, as well as how to effectively manage other organizations through which or in collaboration with which the Company undertake the CSR activities. CSR expenditure like salaries of personnel who are engaged in CSR activities, can be spent on the capacity building for the CSR team in the Company who have been especially entrusted the assignment to execute CSR projects and expenses incurred on their training etc. However amount spent on this can't make up more than 5% of the overall CSR spend.

INTERNAL MONITORING GROUP :

The administration of the CSR policy and the execution of identified CSR projects, programs and activities under it shall be carried out under the overall superintendence and guidance of an internal monitoring group formed for this purpose:

The internal monitoring group shall comprise of:

1	Shri Abhiraj Choksey	Managing Director
2	Shri Ravishankar Sharma	Executive Director
3	Shri Anand Kumashi	Company Secretary
4	Shri Raghunath R Sawant	GM – HR and IR, Taloja
5	Shri Ajay M Kharkar	GM – Plant Initiatives, Taloja
6	Shri G R Manmode	Deputy GM – Production, Taloja
7	Shri Hemant Chaudhari	Manager-Initiative & MR, Taloja
8	Shri Kaushik Patel	Vice President – Work, Valia
9	Shri Kashim Khan	Sr. Manager – IMS
10	Shri Sachin Karwa	Chief Financial Officer
11	Shri Minesh Pandya	Plant Head - HR, IR & Admin, Valia

The internal monitoring group will be responsible inter alia for:

Co-ordination with the business function/unit/location and the implementing agencies for successful implementation of the CSR Programs

Reporting the progress and impact of the CSR Programs at least on a half yearly basis or at such interval as it deem fit, to the Chairman of the CSR Committee

ANNUAL ACTION PLAN

The CSR Committee of the Board of Directors of the Company shall on an annual basis, recommend an Annual Action Plan to the Board for its approval. The Annual Action Plan shall include:

- (a) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programs;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programs;
- (d) monitoring and reporting mechanism for the projects or programs; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

Further, the Board may during the year, at the recommendation of the CSR Committee alter such plans.

CSR EXPENDITURE & BUDGET

1. CSR expenditure will include all amounts incurred/contributed by the Company towards its CSR Programs. CSR expenditure shall also include all direct and indirect expenditure incurred towards the CSR Programs as may be admissible under the regulatory framework.
2. In line with the requirements of the Companies Act, 2013 Administrative overheads i.e. all expenses towards 'General Management and Administration' of CSR activities of the Company shall be capped at a maximum of 5%. Further, these would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation.
3. The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of its Annual Action Plan. Within the Budget the allocation towards specific CSR initiatives/projects will be approved by the CSR Committee of the Board. All projects undertaken by the Company shall be approved /ratified by the CSR Committee.
4. During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved project(s), with the prior approval of the CSR Committee.
5. The surplus, if any, arising out of the CSR projects shall be ploughed back either to the same project from which such surplus arose or be spent in accordance with the Annual Action Plan.
6. Subject to the provisions of the Act, the Company may also utilise its CSR spend towards creation or acquisition of a capital asset.

MONITORING & IMPACT ASSESSMENT

The monitoring mechanism to ensure effective implementation of the CSR Programs shall be in the following manner:

1. For such projects having an outlay of Rs. 1 crore or more and a period of one year has elapsed since completion of such project, an Impact Assessment study shall be carried out by an independent agency. The report of such assessment shall be placed before the Board and shall also be annexed to the Annual Report on CSR.
2. The CSR initiatives / projects of the Company shall also be reported every year in the Annual Report of the Company.
3. The CFO of the Company shall certify to the Board on an annual basis that the funds disbursed by the Company towards CSR activities have been utilised towards the same effect.

DISCLOSURE:

The company shall disclose this Policy or such other information as required under section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time and the CSR activities/projects conducted, every year in the Annual Report of the Company.

AMENDMENT

Any or all provisions of the CSR Policy would be subject to revision / amendment by the Board of Directors of the Company based on the recommendations of the CSR Committee or else in accordance with the guidelines on the subject as may be issued, from time to time.