

## **Corporate Social Responsibility Policy**

### **1. Preamble**

The Government of India, Ministry of Corporate Affairs (GOI) notified Section 135 of the Companies Act, 2013 on 27<sup>th</sup> February, 2014 stipulating Corporate Social Responsibility of a Company and Schedule VII of the Act, specifying the activities to be undertaken by a company for its CSR obligation and also notified the Companies (CSR Policy) Rules, 2014. The GOI appointed 01<sup>st</sup> April, 2014 as the date on which all these CSR provisions to come into force.

Prior to 1<sup>st</sup> April, 2014 there was no statutory provision in any Laws in India on Corporate Social Responsibility (CSR) of a company. However, the Company was voluntarily undertaking many CSR activities for the benefit of society.

The Company, being covered under section 135 of the Act, commencing from the financial year 2014-15, decided to formulate this Policy for statutory compliance of its social responsibility.

### **2. Short Title, Commencement and Operation**

**2.1** This Policy shall be called as 'PPL Corporate Social Responsibility Policy, 2014' or in short 'PPL CSR Policy'.

**2.2** This Policy shall come into force with effect from the date of approval of the Policy by the Board of Directors of the Company.

### **3. Definitions**

**3.1.** The words and expressions used in this Policy are defined as under –

- (a) "Act" means the Companies Act, 2013.
- (b) "Annexure" means Annexure appended to this Policy.
- (c) "Board" means Board of Directors of the Company.

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- (d) “Company” or “PPL” means Paradeep Phosphates Limited.
- (e) “CSR Committee” means the Corporate Social Responsibility Committee of the Board of Directors of the Company referred to in section 135 of the Act.
- (f) “Corporate Social Responsibility (CSR)” means the responsibility of the Company to undertake the projects and programmes relating to the activities covered under the subjects enumerated in Schedule VII of the Act and approved by the Board in pursuance of recommendations of the CSR Committee.
- (g) “CSR Activities” means the activities of the Company as per this Policy.
- (h) “CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 notified on 27<sup>th</sup> February, 2014 by the Government of India, Ministry of Corporate Affairs and any amendments / clarifications thereof from time to time.

**3.2.** The words and expressions used and not defined in this Policy shall have the same meanings respectively assigned to them in the Act or CSR Rules.

## **4. Philosophy**

**4.1** PPL’s belief in social development and its endeavour reflects in actualizing transformation in the quality of life of all stakeholders who are partners in our ecosystem.

**4.2** PPL shares and invests resources to facilitate, strengthen and sustain an enabling environment, with strategic and innovative activities that contribute to improve the quality of life of the communities it serves, adding value to and strengthening social capital.

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- 4.3** Being proactive and conscious of our obligations, our efforts address inclusive growth - reaching out through innovative community based interventions, a strategy that enables participation of key stakeholders and a long term vision of transformation within socio-legal frameworks, in a time intensive, process driven manner.

### **5. CSR Plan**

Broad list of CSR activities (Projects / Programmes) which PPL plans to undertake falling within the purview of Schedule VII of the Act relates to the following-:

- (i) Enhancing agricultural productivity and farmers' income through agricultural research, knowledge sharing, farmer education & training and demonstration of innovative techniques;
- (ii) Promoting preventive healthcare, sanitation and making available safe drinking water.
- (iii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, the differently abled and livelihood enhancement projects;
- (iv) Promoting gender equality, empowering women, measures for reducing inequalities faced by socially and economically backward groups;
- (v) Promoting environmental sustainability, ecological balance, protection of flora and fauna, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- (vi) Promoting rural sports and nationally recognized sports;
- (vii) 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;
- (viii) Rural development projects.

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### **6. Annual CSR Activities**

Within the purview of the plans listed above, PPL shall prepare its Annual CSR Plan at the beginning of each year according to the availability of resources, on recommendation of the CSR Committee and approval of the Board. The annual CSR Plan shall identify the list of projects or programmes which PPL plans to undertake during the year.

### **7. Activities excluded from this Policy**

(a) Activities which do not fall within the purview of the Schedule VII of the Act.

(b) Activities undertaken in pursuance of PPL's normal course of business.

(c) Activities only for the benefits of the employees of PPL and their families.

(d) Contribution of any amount directly or indirectly to any political party under section 182 of the Act.

(e) Activities undertaken outside India.

### **8. CSR Expenditure**

(a) CSR Expenditure shall include all expenditures relating to CSR activities of the Company approved by the Board on recommendation of its CSR Committee.

(b) As per the provisions of section 135(5) of the Act, PPL shall endeavour to spend in every financial year at least 2% of its average net profits made during the three immediately preceding financial years, calculated in accordance with the provisions of section 198 of the Act.

(c) If PPL fails to spend such amount, PPL shall specify the reasons thereof in its Board's Report made under section 134(3)(o) of the Act.

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(d) For spending the amount earmarked for CSR activities, PPL shall give preference to the local areas around which it operates.

(e) CSR projects or programmes or activities undertaken in India only shall amount to CSR expenditure.

(f) Surplus, if any, arising out of the CSR projects or programmes or activities shall not form part of the business profit of PPL.

### **9. Implementation Methodology**

Annual plan formulation will be based on -:

(a) Collective investigation of problems and issues, analysis of situation.

(b) Collective action by the people (partners) for long term as well as short term actions.

(c) Collaborative partnerships with the Community, Government, District Administration and nodal authorities, Panchayati Raj Institutions, media, research / academic / training institutions, technology innovators, NGOs and such stakeholders.

### **10. Implementation Schedule and Monitoring Process**

(a) Every year, the Company will place the CSR Plan - to be executed during the financial year and the specified budgets thereof to the CSR Committee to recommend for approval of the Board of Directors.

(b) The Board will consider the recommendation of the CSR Committee and approve the CSR Plan that may be deemed necessary.

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- (c) The persons / agency to which the implementation is assigned will carry out such CSR Programmes as determined by the Company within the specified budgets and timeframes and report back to the MC on monthly basis.
- (d) The CSR Committee shall review the implementation of the CSR Programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
- (e) The CSR Committee may resolve any matter by passing resolution either in a meeting or by circulation.

### **11. CSR Reporting**

**11.1** After the end of every financial year, an Annual Report on CSR Activities be placed before the Board through the CSR Committee containing the particulars specified in the Annexure to the Companies (CSR Policy) Rules, 2014.

**11.2** The contents of the CSR Policy of the Company shall be disclosed in the Board's Report and be placed in the Company's website containing the particulars specified in the Annexure to the Companies (CSR Policy) Rules, 2014.

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