ASHAPURA MINECHEM LTD.

(CIN: L14108MH1982PLC026396)

CORPORATE SOCIAL RESPONSIBILITY POLICY

Created on:- 14th October, 2014

Amended on:- 11th February 2021

Amended on:- 25th May, 2023

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 a result it ploughs back its funds into social welfare schemes.

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 to perform ethically and contribute to economic development of the society at large. CSR, therefore, is not a mere philanthropic activity but also comprises of activities that require a company to integrate social, environmental and ethical concerns into the company's vision and mission through such activities 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. SHORT TITLE AND APPLICABILITY:

This Policy is titled as 'Ashapura's CSR Policy' and has been designed in compliance with the provisions of the Companies Act, 2013 (hereinafter to be known as Act) read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (hereinafter to be known as Rules 2021). It encompasses the Company's philosophy for pursuing its role as a corporate citizen and lays down guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan basis the approach and direction given by the Board, taking into account the recommendations of its CSR Committee.

This Policy is applicable to all the CSR initiatives/projects/programs undertaken by the Company at various locations in India for the benefit of different segments of the society 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.

III. OBJECTIVES:

This CSR Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy), Rules 2022 and such other rules, regulations circulars

and Notifications as may be applicable and as amended from time to time and will inter-alia provide for the following:

- Establishing a guideline for compliance with the Regulations etc. to dedicate a percentage of Company's profits for Social Projects.
- 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 organization 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

IV. IMPORTANT DEFINITIONS

- Administrative Overheads: Administrative overheads" means the expenses incurred by the
 company for 'general management and administration' of Corporate Social Responsibility
 functions in the company but shall not include the expenses directly incurred for the designing,
 implementation, monitoring, and evaluation of a particular Corporate Social Responsibility
 project or programme.
- Corporate Social Responsibility ('CSR') means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act and in accordance with the provisions contained in these rules along with the list of activities specified in Schedule VII amended from time to time, but shall not include the following, namely:-
 - Activities undertaken in pursuance of normal course of business of the company Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that:
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act:
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

- Activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- **Net Profit**: Net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
 - any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:
- Ongoing Project: A multi-year project undertaken by a Company having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

V. SCOPE OF CSR ACTIVITIES:

The following activities as specified under Schedule VII to the Companies Act, 2013 will be considered as CSR activity.

- 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.
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
- 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;

- 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
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents; Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widow
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports; construction, renovation, maintenance of stadiums, gymnasiums and rehabilitation centers.
- Contribution to Prime Minister's National Relief Fund/Prime Minister's Citizen Assistance and relief in Emergency Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Tribes, other backward classes, minorities & Women;
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and located within academic institutions which are approved by the Central Government;
- Contribution to Public Funded Universities; Indian Institute of Technology (IITs); National Laboratories and Autonomous bodies established under Department of atomic Energy (DAE); Department of Biotechnology(DBT); Department of Science and Technology(DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy(AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organization(DRDO); Indian Council of Agricultural Research(ICAR),Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial research(CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals(SDGS).
- Rural development projects;
- Slum area development, 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.
- Disaster management, including relief, rehabilitation and reconstruction activities.

VI. PRIORITY / FOCUS AREAS:

The Company has identified the following thrust areas for various CSR related activities:

a. Promotion of Education/literacy enhancement and vocational training.

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- b. Healthcare/medical facility
- c. Women Education & empowerment
- d. Women & child care
- e. Relief to victims of natural calamities/disasters & rehabilitation
- f. Agricultural Development, Water/rain harvesting and Animal care, sanitation and drinking water projects including rain harvesting
- g. Social Awareness Programmes
- h. Welfare and Rehabilitation of underprivileged and differently abled persons.
- i. Rural development projects
- j. Protection of national heritage, Promotion & Preservation of art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries
- k. promotion and development of traditional art and handicrafts
- I. Training in Sports and Development of Sports-related infrastructure
- m. Any other area of contemporary importance

VII. COMPOSITION & 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 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.

- The CSR Committee will meet once in a year to discuss and review the CSR activities and recommend the Budget changes in the policy if any.
- 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.
- If the company has any amount in its Unspent Corporate Social Responsibility Account as per sub-section (6) of section 135 then it shall constitute a CSR Committee and comply with the provisions contained in sub-sections (2) to (6) of the said section.

VIII. ROLE & RESPONSIBILITIES OF CSR COMMITTEE:

- To assist the Board of Directors to formulate suitable policies and strategies to take the CSR agenda of the company forward in the desired direction.
- Formulation of broad guidelines for selection of the projects, planning, execution, monitoring & evaluation.
- Selection of projects in accordance with policy framework & guidelines.

- Submission of annual budgetary requirement for each project along with the targets.
- Formulation of strategies for efficient implementation of projects.
- Monitoring of the progress of the work.
- Strengthening monitoring mechanism to ensure that the funds allocated by the Company for CSR activities planned for a financial year are timely spent by the Company or through an external agency or a combination of both.
- Formulation of Annual Action Plan
- To recommend the Board to alter the CSR policy as and when required during the financial year.

IX. PROJECT IDENTIFICATION AND MONITORING:

- Every year, the thrust areas shall be identified by the CSR Committee on the basis of need identification studies (or) internal need assessment or receipt of proposals/requests etc. which shall fall within the ambit of the schedule VII of the Companies Act 2013 and are also in compliance with the aims and objectives specified above. All efforts must be made, to the extent possible, to define the following while identifying the CSR projects
- The CSR Committee will place a CSR Plan defining the CSR Programmes/Projects/Activities to be carried out during the financial year based on the identified thrust areas before Board of Directors of the Company.
- The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
- 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.
- 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.
- CSR Team will provide a status update to the CSR Committee on the progress of implementation of the approved CSR Programmes at least once in every six months.
- The CSR Committee shall be responsible to review such reports and keep the Board apprised of the status of implementation of the same.
- The CSR Committee will submit its report to the Board at the end of every Financial year.

X. FINANCIAL COMPONENT:

The Company shall spend in every Financial Year at least 2 (two) percent of the Average Net Profits of the Company made during the 3 (three) immediately preceding financial years, in

pursuance of its Corporate Social Responsibility Policy, provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR Activities:

a) TREATMENT OF UNSPENT AMOUNT: If the Company fails to spend 2% of the Average net profit, then the unspent amount shall be treated as follows

Board shall, in its report, made under clause (o) of sub-section (3) of
Section 134 of the Act, specify the reasons for not spending the
amount; and 'transfer such unspent amount to a Fund specified in
Schedule VII, within a period of six months of the expiry of the financial
year.
Until a fund is specified in Schedule VII for the purposes of subsection
(5) and (6) of section 135 of the Act, the unspent CSRamount, shall be
transferred by the company to any fund included in
schedule VII of the Act
The amount shall be transferred within a period of 30 days from the
end of the FY to a special account to be opened by the company in
that behalf for that FY in any scheduled bank. This will be called the
Unspent Corporate Social Responsibility Account (UCSRA).
Company shall transfer the amount to a Fund specified in Schedule
VII, within a period of thirty days from the date of completion of the
third financial year
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PENALTY u/s SECTION 135 (7) of the Company's Act, 2013:- If a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a penalty as per the provisions of company's Act & amendment rules 2021.

b) **ONGOING PROJECT**: [Rule 2(1)(i)] Ongoing Project means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

c) Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period."

d) SURPLUS:

Prior to end of Financial Year, CSR Committee shall place for Board consideration and Approval, details of the Completed Projects (with Utilisation Certificates) and the surplus amount generated with reasons thereof. Any SURPLUS arising out of CSR expenditure shall not form part of the business profit of the Company.

The Surplus amount shall be

- (i) Ploughed back into the same project OR
- (ii) transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company OR
- (iii)Transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

e) SET OFF OF EXCESS:

In the event of the Company spending an amount in excess of requirement provided under sub section 5, such excess amount may be set off against the requirement to spend under this subsection for the immediate succeeding three financial years subject to the conditions that the excess amount available for set off shall not be included in the Surplus arising out of CSR activities. Company's Board shall pass a resolution to that effect.

f) CAPITAL ASSET:

A capital asset acquired or created by the Company through CSR funding shall be held only by entities as specified in Rule 7(4) of the Rules 2021.

XI. CSR COMMITTEE - ANNUAL ACTION PLAN FOR CSR:

The CSR Committee shall formulate and recommend to the Board, an annual action plan which shall include the following:

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

The Board of Directors are empowered to alter the annual action plan during the financial year, if so recommended by the CSR Committee, based on the reasonable justification for such change.

XII. MODE OF IMPLEMENTATION:

CSR programs, projects or activities of the company should be implemented through following methods:

- i. Directly by the company;
- ii. Implementing Agencies;
- iii. Any foundation or body incorporated by the company and eligible to undertake such CSR projects.
- iv. in collaboration with other organizations/group companies

While the Company can engage suitable Implementing Agencies to undertake approved CSR projects. The company can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, Municipality to directly undertake approved CSR projects with the help and support of these bodies.

XIII. IMPACT ASSESMENT:

In the event of the Company having average CSR obligation of Rs. ten crore rupees or more in pursuance of subsection (5) of section 135, in the three immediately preceding financial years, the Company shall undertake Impact assessment, through an independent agency, of CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Expenditure towards Impact assessment may be booked towards Corporate Social Responsibility for that financial year, and shall not exceed two percent of the total CSR expenditure for that F.Y. or fifty lakh rupees, whichever is higher.

XIV. EXPENSES:

- a) Expenditure for undertaking **Impact assessment** may be booked towards Corporate Social Responsibility for that financial year, and shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.
- b) "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

Administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

XV. INFORMATION DISSEMINATION/ CSR REPORTING:

CSR Policy and activities/programmes undertaken shall be disseminated on website for public access and shall be published in the Annual Report of the Company in the format prescribed under the Act and CSR Rules.

CFO Certification: Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the **Chief Financial Officer** shall certify to the effect.

XVI. Review:

The CSR Committee shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The CSR Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR Policy.

XVII. MISCELLANEOUS

Company reserves the right to modify, add, delete or amend any of the provisions of this Policy. This policy will supersede / override any previous policy made in this regard

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