



**CHAMBAL FERTILISERS  
AND CHEMICALS LIMITED**

# **CORPORATE SOCIAL RESPONSIBILITY POLICY**

[This version of Corporate Social Responsibility Policy is applicable with effect from April 1, 2020]

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# 1. Concept

## 1.1 Background

Chambal Fertilisers and Chemicals Limited (hereinafter referred to as “Chambal or “Company”) is engaged in various social initiatives through projects / programs under its Corporate Social Responsibility (“CSR”). CSR projects / programs of the Company are carried out by itself and through implementing agencies

## 1.2 Title & Scope

- a) This policy shall be called ‘Chambal Corporate Social Responsibility Policy’ or ‘Chambal CSR Policy’. It outlines the Company’s philosophy and responsibility as a corporate citizen of India and lays down the guidelines and mechanism for undertaking socially useful programs for inclusive & sustainable development of the community, in and around its area of operations and other parts of the country.
- b) This policy shall apply to all CSR initiatives & activities taken up by the Company at the various locations in India, for the benefit of different segments of the society at large, especially the deprived and underprivileged.
- c) This policy is in compliance of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the “Rules”).

## 1.3 CSR Vision Statement and Guiding Principles

Chambal is committed to build a sustainable enterprise for the benefit of its present and future generations of stakeholders. The Company shall integrate and follow responsible practices into its business strategies and operations, to manage the three challenges – economic prosperity, social development and environmental integrity.

Towards this commitment, the Company shall:

- a) Build a sustainable enterprise that effectively balances financial strengths with social and environmental responsibilities.
- b) Deliver sustainable top-line and bottom-line growth while maintaining the highest corporate governance standards.
- c) Reduce its environmental footprint by investing in eco-friendly and reliable technologies and practices.
- d) Increase efficiency by optimum utilization of resources and technology.
- e) Promote sustainable farming practices to boost crop productivity in rural India through its soil testing facilities and other advisory services.
- f) Work towards improving the quality of life by making the communities self-reliant in areas within which it operates.
- g) Build lasting social capital through interventions in social initiatives for the benefit of the community residing in the vicinity of its plants and other places in India.

## 2. Resources

### 2.1 Funding & Allocation

For achieving its CSR objectives through implementation of meaningful & sustainable CSR projects / programs, Chambal shall endeavour to allocate the following as its *Annual CSR Corpus*:

- i) 2% of average net profits made during the three immediately preceding financial years, as prescribed under the Companies Act, 2013 and the Rules;
- ii) Any income arising therefrom; and
- iii) Surplus arising out of CSR activities.

It is clarified that surplus arising out of CSR projects/ programs shall not form part of business profits of the Company.

### 2.2 Mode of Implementation

- a) CSR programs, projects or activities, will be implemented through one or more of the following methods:
  - i) Directly by the Company;
  - ii) "K K Birla Memorial Society" (KKBMS), a registered society established by Chambal for successful delivery of its CSR initiatives within India;
  - iii) Any other Registered Trust, Society or Section 8 Company (i.e. Company registered under Section 8 of the Companies Act, 2013) with an established track record of at least three years in carrying on activities in related areas.
  - iv) In collaboration with other organizations.
  - v) Contributions permissible / covered under Schedule VII to the Companies Act, 2013.
- b) The allocated CSR budget or Corpus will be utilized for CSR activities undertaken within India, which are not:
  - i) exclusively for the benefit of employees of the Company or their family members; or
  - ii) undertaken in pursuance of normal course of business of the Company.

## 3. CSR Activities

The CSR programs, projects and activities to be undertaken by the Company shall relate to one or more activities listed in Schedule VII to the Companies Act, 2013 as amended from time to time.

The projects, programs or activities to be undertaken by the Company pursuant to this Policy alongwith modalities of execution, implementation schedule and monitoring process, are outlined in **Schedule I** attached hereto.

## 4. Implementation

- 4.1 The time period for implementation of the program will depend on its nature, extent of coverage and the intended impact of the program.
- 4.2 CSR Programs which involve considerable financial commitment and are undertaken with a timeframe of more than 3 years will be considered as 'flagship programs'.
- 4.3 CSR Programs shall be implemented with active participation of the local community, wherever possible, and in consultation with the State Government for policy and strategic purposes and local administration at village, block and district levels for operational purposes, wherever applicable. These interventions will also be synergized with the initiatives undertaken by the State Government, District Administration, Local Administration as well as Central Government Departments.
- 4.4 Chambal's CSR thrust areas or projects will be identified on the following basis:
  - a) Need identification studies by the Company, professional institutions or agencies;
  - b) Receipt of proposals or requests from District Administration, local bodies, citizen's forums, etc.;
  - c) Requests received from Government or Registered Trusts or Societies or other entities engaged in one or more activities indicated in Clause 3 hereof.; and
  - d) Emergent social needs and requirements.
- 4.5 While CSR projects / programs may cover any area in India, the Company shall give preference to the local areas around its manufacturing facilities.
- 4.6 Chambal will follow a project based accountability approach to stress on the long term sustainability of its CSR projects. Based on the tenure of the identified project, it will be qualified as;
  - a) Short Term - upto 1 year
  - b) Medium Term – above 1 year but upto 3 years
  - c) Long Term - above 3 years (*Flagship programs*)
- 4.7 While identifying long term programs, all possible efforts shall be made to define the following:
  - a) Program objectives
  - b) Baseline survey- It would give the basis on which the outcome of the program would be measured
  - c) Implementation schedules - Timelines for milestones of the program
  - d) Responsibilities and authorities
  - e) Major results expected and measurable outcome
- 4.8 Powers for approval
  - a) Corporate Social Responsibility Committee ("CSR Committee") of the Board of Directors ("Board") shall recommend to the Board changes as may be required in the Chambal CSR Policy and the amount of expenditure to be incurred on CSR programs, projects and activities for a Financial Year.
  - b) The Board shall, after taking into account the recommendations made by the CSR Committee, consider and approve the changes, if required, in the Chambal CSR Policy and the amount of expenditure to be incurred on CSR programs, projects and activities, as it may consider appropriate.

- c) The Board shall ensure that Company spends the requisite amounts specified under the Companies Act, 2013 on CSR activities failing which it shall specify in its report the reason for not spending the amount.
- d) The Board or CSR Committee shall delegate necessary powers for execution and implementation of the Chambal CSR Policy. The delegation may also include powers for meeting the requirements arising out of immediate & urgent situations.

## 5. Monitoring and Feedback

- 5.1 To ensure effective implementation of the CSR programs, the Company shall put in place, suitable monitoring mechanism. The specific monitoring process is indicated in **Schedule I** hereto.
- 5.2 The progress of CSR projects / programs under implementation will be reported to the Managing Director of the Company on periodical basis.
- 5.3 CSR Committee shall periodically monitor the progress of CSR projects, programs and activities of the Company.
- 5.4 The CSR team shall endeavor to conduct impact studies on a periodic basis, of its own, through independent professional third parties or professional institutions, especially on the strategic and high value programs.
- 5.5 Chambal CSR Policy will be displayed on the Company's corporate website [www.chambalfertilisers.com](http://www.chambalfertilisers.com)
- 5.6 An Annual Report on Corporate Social Responsibility (CSR) Activities containing the particulars as prescribed under the Rules shall form part of Annual Report of the Company.
- 5.7 CSR Team will also try to obtain feedback from beneficiaries about the CSR programs / projects.

## 6. General

- 6.1 In case of any doubt with regard to any provision of Chambal CSR Policy and also in respect of matters not covered herein, a reference should be made to the Chambal CSR Head.
- 6.2 The Company reserves the right to modify, cancel, add, or amend Chambal CSR Policy subject to the provisions of the Companies Act, 2013 and the Rules framed thereunder.

## Schedule I

### CSR Projects and Programs

#### A) Details of Programs / Projects

Sr. No.	Particulars of Programs and Projects	Sector in which the project / program is covered	Modalities of Execution	Implementation Schedule
<b>1.</b>	<b>Education Initiatives</b>	Promoting education including special education and employment enhancing vocational skills	Directly by the Company (including in collaboration with DAV College Trust and Management Society) through KK Birla Memorial Society ("KKBMS") and / or any other entity	Ongoing
(a)	Pre-primary & School Education (Project Akshar)			
(b)	Technical and Vocational Education (Project Saksham)			
<b>2.</b>	<b>Rural Development Initiatives (Project Saakar)</b>	Rural Development Projects	Directly by the Company, through KKBMS and / or any other entity.	
<b>3.</b>	<b>Health care and Sanitation Initiatives (Project Arogya)</b>	Promoting Healthcare including preventive health care, sanitation and availability of safe drinking water	Directly by the Company, through KKBMS and / or any other entity.	
<b>4.</b>	<b>Employability and Empowerment (Project Pragati)</b>	Empowerment of Women, reducing inequality faced by socially and economically backward groups	Directly by the Company, through KKBMS and / or any other entity.	
<b>5.</b>	<b>Environmental Sustainability, Animal Welfare and Soil Health Initiatives (Project Bhoomi)</b>	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry and maintaining quality of soil, air and water	Directly by the Company, through KKBMS and / or any other entity.	
<b>6.</b>	<b>Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government</b>	Contribution to the Prime Minister's National Relief Fund or any other Fund set up by the Central Government for socio economic development and	Directly by the Company.	Need based from time to time.

		relief and welfare of the schedule caste, tribes, other backward classes, minorities and women		
7.	<b>Disaster Management</b>	Disaster management, including relief, rehabilitation and reconstruction activities	Directly by the Company, through KKBMS and / or any other entity.	Need based from time to time

## B) Monitoring Process

<b>Sector</b>	<b>Monitoring mechanism</b>
Education Initiatives	<p>The progress is monitored through regular site visits, progress reports, ground level feedback and other suitable methodologies.</p> <p>Infrastructure improvement in schools is carried out under the supervision of CSR team. CSR team reports progress on monthly basis to CSR Head. Quality Control of Civil jobs is checked through physical inspection by a civil engineer.</p> <p>CFDAV School is being run under an Agreement with DAV College Trust and Management Society (DAV). The School is managed by a local management committee representing both Company and DAV. The Committee reviews the functioning of the school on periodical basis.</p> <p>Under technical education initiative, focus is on improvement of infrastructure as well as quality of education in Industrial Training Institutes (ITIs) and Polytechnic College(s). CSR team along with institute management committee (IMC) members makes regular visits of ITIs and Polytechnic College(s) and submit reports to CSR Head.</p> <p>The progress of vocational training centers is monitored through regular site visits, progress reports, ground level feedback and practical exams.</p>
Rural Development Initiatives	<p>Rural Development projects are mainly for infrastructure improvement / development. CSR team reports progress on monthly basis to CSR Head. Quality Control of Civil jobs is checked through physical inspection by a civil engineer.</p>
Health care and Sanitation Initiatives	<p>The progress to be monitored through regular site visits, progress reports and / or ground level feedback.</p> <p>Visit reports are submitted by health care team to CSR Head on monthly basis. CSR Team also visits various villages covered under health scheme and take the feedback from the beneficiaries.</p> <p>In case of initiatives pursued through KKBMS or any other entity, the monitoring shall be through periodical progress reports and site visits of CSR personnel.</p>
Employability and Empowerment	<p>Facilitators to make regular visits to the centers in various villages facilitating Self Help Groups, Pension schemes, LPG connections, etc. and submit the report from time to time to CSR Head.</p>



<p>Environmental Sustainability, Animal Welfare and Soil Health Initiatives</p>	<p>The Company had set up soil testing laboratories. In addition to this, the Company is operating Mobile Soil Testing Vans. The laboratories / soil testing vans test samples received from the farmers and provide report which helps the farmers in maintaining soil health by appropriate use of nutrients. The activities of laboratories/ soil testing vans are monitored through periodic reports and reviews.</p> <p>The CSR team shall organize Animal welfare Camps, plantation activities, farmer advisory services, environmental projects, etc. to benefit community at large.</p> <p>The progress of other initiatives to be monitored through regular site visits, progress reports and / or ground level feedback and reports to be submitted to CSR Head</p>
<p>Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government</p>	<p>Contribution to be made based on the needs and requirements from time to time and further monitoring is not applicable.</p>
<p>Disaster Management</p>	<p>The progress can be monitored through site visits, progress reports, ground level feedback and/ or other suitable methodologies.</p>

**General -**

1. Apart from regular telecommunication/ video conferencing, progress reports are sent by CSR team to CSR Head. Such report, *inter alia*, contains the status of each project / program, implementation schedule, constraints, likely time or cost over runs or savings, etc.
2. CSR Head makes presentation and submit progress reports to the Managing Director of the Company from time to time.
3. CSR Committee shall review the progress of the CSR projects and programs periodically. The Board to be also apprised about these projects and programs periodically.