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1

PREAMBLE

This Corporate Social Responsibility Policy (“CSR Policy”) of Paradeep Phosphates Limited (PPL) encompasses the Company’s philosophy to discharge its Social Responsibility in the upliftment / development of the communities in its operating territory and mechanism for undertaking CSR activities/projects/programs with reference to provisions and Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy), Rules 2014.

This policy shall apply to all CSR activities/programs/projects undertaken by the Company for the welfare and sustainable development of the community at large.

Accordingly, the board of directors of the Company (“Board”) adopted a CSR policy at its meeting held on 10th August 2021 which can be amended from time to time.



2 DEFINITIONS

“Board” means Board of Directors of the Company

“Company” means Paradeep Phosphates Limited

“Directors” mean Directors of the Company.

“Corporate Social Responsibility Committee” or “CSR Committee” means Committee of Board of Directors of the Company.

“Rules” means Companies (CSR Policy) Rules, 2014



3 CSR COMMITTEE & ITS ROLE

The Board of Directors of the Company, shall from time to time, constitute a Corporate Social Responsibility Committee, in accordance with the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The role of the committee shall, inter-alia, include the following:

- a. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
- b. recommend the amount of expenditure to be incurred on the activities; and
- c. monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d. any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.



4 RESPONSIBILITIES OF THE BOARD

The responsibilities of the Board concerning CSR are as follows:

- a) Approving CSR Policy of the Company
- b) Disclosing the content of the policy in its report and placing the policy on the Company's website in the manner prescribed under section 135 of the Act.
- c) Ensuring that the CSR activities are related to the activities, areas or subjects included in Schedule VII of the Act.
- d) Ensuring that CSR projects included in the policy are undertaken by the Company
- e) Ensuring that the Company spends, in every financial year, at least 2 percent of the average net profits made during the three immediately preceding financial years or such minimum budget as may be statutorily mandated under the law
- f) Ensuring that reasons for not spending of earmarked amount are disclosed in the Board's report in case the Company fails to spend such amount
- g) Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects



5 CSR THEME AND PROGRAMMES

The Company shall embark on CSR initiatives in accordance with the specified activities covered under the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014 covering any one or more of the following themes:

- a. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c. 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;
- d. 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;
- e. 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 arts and handicrafts;
- f. 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 widows;
- g. training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- h. contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
- i. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- j. rural development projects
- k. Slum area development
- l. 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
- m. Contributions 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 Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (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).]
- n. disaster management, including relief, rehabilitation and reconstruction activities
 - o. any other activities as listed in Schedule VII of the Act

The key areas to carry out CSR activities are

Key Focus Areas	Activities/Programs/Projects
Promoting sports, education including special education for children, women, and elderly under the differently abled livelihood enhancement projects.	<ul style="list-style-type: none">- Adoption of village schools- Providing infrastructure (Furniture, Black Boards, Drinking water, etc.) Uniform, Text Books, Note Books, Pencils, etc.- Scholarships.- Free distribution of Artificial Limbs- Enhancement of skills for differently abled.
Promoting preventive health care, sanitation and making available safe drinking water.	<ul style="list-style-type: none">- Health Camps- Free distribution of medicines, spectacles, etc.,- Medical Equipment- Ambulance- Drinking water projects, Bore wells, etc.,- Contribution to Swach Bharat Kosh setup by the Central Government for promotion of sanitation and any other schemes promoted by State/Central Government
Community Development	<ul style="list-style-type: none">- Funding for construction of roads, bridges, culverts, etc.,- Community halls.
Rural Development	<ul style="list-style-type: none">- Village Adoption
Ensuring environmental sustainability, animal welfare, agro-forestry and maintain quality of water	<ul style="list-style-type: none">- Water management – recharging of water bodies, rain water harvesting, building the tanks, etc.,- Green initiatives – mass tree planting / social forestry
Relief and welfare of the Scheduled Tribes	<ul style="list-style-type: none">- Assistance to Tribal families

The following activities and the amount, if any spent, shall not be considered as CSR activities and shall not be included in computing the CSR expenditure

- a. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.



- b. Expenses incurred for the of any other statutory obligations under any law in force in India. would not count as CSR expenditure under the Companies Act, 2013.
- c. All activities undertaken in pursuance of normal course of business.
- d. All activities or programmes undertaken to benefit only the employees of the Company and their families
- e. Contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act, 2013.
- f. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.



6 COVERAGE, IMPLEMENTATION, BUDGET AND MONITORING

6.1 *Coverage*

The Company shall give thrust to the local area, where the Company has its business offices, in carrying out CSR projects and programs

6.2 *Implementation*

CSR programs, projects or activities, will be implemented through one or more of the following methods:

- i. Directly by the Company;
- ii. Adventz Foundation;
- iii. in collaboration with other organizations, if such organisation falls under the Rule 4 of the Companies (CSR Policy) Amendment Rules, 2021
- iv. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government;
- v. any entity established under an Act of Parliament or a State legislature
- vi. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

6.3 *Budget*

A specific budget of 2% of average net profits made during the three immediately preceding financial years, as prescribed under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 shall be allocated for CSR activities every year.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company and shall be treated in the following manner:

- i. ploughed back into the same project;
- ii. shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan on the Company; or
- iii. such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

In the absence of average net profits, the Committee may prescribe minimum amount to be spent on CSR activities during any financial year.

The CSR committee shall allocate the budget to various activities as per CSR policy every year, to undertake CSR activities as per clause 5.2 above.

In any case, if in any year company fails to spend such amount on CSR, the Board will, in its report made under section 134 (3) (o) of Companies Act, 2013, specify the reasons for not spending the amount.



When CSR activity is undertaken through a registered trust or a registered society or a Company not established by the Company or its holding or Subsidiary or associate Company under section 8 of the Act.

6.4 **Monitoring**

The implementation of the CSR policy and monitoring of CSR activities, projects or programs shall be carried out by such a number of senior and middle management employees of the Company.

The Company Secretary shall submit report to the CSR Committee on an annual basis and the same be reflected in the Annual Report and Financial Accounts of the Company.

The progress of CSR programmes under implementation will be reported to Board of Directors on a quarterly basis. The CSR committee will conduct impact studies on a periodic basis, about effectiveness of CSR Activity on the society.

5.5 **Reporting Mechanism**

CSR Committee will obtain feedback from beneficiaries about the programmes and report to the Board of Directors, the feedback received from the beneficiaries of CSR Activity. Appropriate documentation of Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available on the website of the Company. CSR initiatives of the Company will also be reported in the Annual Report of the Company containing particulars as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7 AMENDMENTS AND GOVERNING LAW

The Board of Directors, on its own and / or as per the recommendations of the CSR Committee may amend this Policy as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, which make the provisions laid down under this Policy inconsistent with such amendment(s), clarification(s), circular(s) etc. then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

This Policy shall be governed by the Companies Act, 2013 read with Rules made thereunder, as may be in force for the time being.