



**CHAMBAL FERTILISERS
AND CHEMICALS LIMITED**

CORPORATE SOCIAL RESPONSIBILITY POLICY

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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 its interventions in the area of Education, Infrastructure, Healthcare, Women Empowerment, etc. These initiatives are carried out by itself, in partnership with NGOs or the Government agencies. In order to provide impetus to social interventions and make the entire process and activities more efficient, it is imperative to outline the Corporate Social Initiatives of Chambal into a formal document.

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 programmes for welfare & 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 Corporate Social Responsibility (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, specifically 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).
- d) This policy is effective from April 1, 2014.

1.3 CSR Vision Statement and Guiding Principles

Chambal is committed to building 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 the infrastructure, healthcare, education, vocational domains and other social welfare initiatives for the community residing in the vicinity of its plants and other places in India.
- h) Ensure welfare, growth and safety of all people associated with the Company.

- i) Empower its employees and continuously develop their knowledge and skill sets, so that they realize their true potential and drive the Company's growth.
- j) Promote inclusive growth and equal opportunity by remaining a caste, gender and religion neutral organization.

2. Resources

2.1 Funding & Allocation

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, 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 charitable organization 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 and duly approved by the Chambal CSR Committee;
 - iv) In collaboration with other organizations.
- 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 may 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 the 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 programme will depend on its nature, extent of coverage and the intended impact of the programme.
- 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 programmes'.
- 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.; or
 - c) Requests received from Government or Registered Trusts or Societies or other entities engaged in one or more activities indicated in Clause 3 hereof.
- 4.5 While all CSR programs will be focused 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 programmes*)
- 4.7 While identifying long term programmes, all possible efforts shall be made to define the following:
 - a) Programme objectives
 - b) Baseline survey- It would give the basis on which the outcome of the programme would be measured.
 - c) Implementation schedules - Timelines for milestones of the programme.
 - 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 shall formulate and recommend to the Board a CSR policy of the Company for a Financial Year including the amount of expenditure to be incurred on CSR programs, projects and activities.
 - b) The Board shall, after taking into account the recommendations made by the CSR Committee, consider and approve the CSR Policy as it may consider appropriate.
 - c) The Board of Directors of the Company 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 CSR Policy. The delegation shall 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 programmes, 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 programmes under implementation will be reported to the managing director on monthly basis.
- 5.3 CSR Committee shall periodically monitor the progress of CSR projects, programs and activities incorporated in the CSR Policy. CSR Committee shall hold atleast two meetings during a Financial Year.
- 5.4 The CSR team will 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 programmes.
- 5.5 CSR Policy will be displayed on the Company's corporate website www.chambalfertilisers.com
- 5.6 An annual report on CSR containing the particulars as prescribed under the Companies (Corporate Social responsibility Policy) Rules, 2014 shall form part of Annual Report of the Company.
- 5.7 CSR Team will also try to obtain feedback from beneficiaries about the programmes.

6. General

- 6.1 In case of any doubt with regard to any provision of the CSR Policy and also in respect of matters not covered herein, a reference should be made to the Chambal CSR Team.
- 6.2 The Company reserves the right to modify, cancel, add, or amend its CSR Policy subject to the provisions of the Companies Act, 2013 and 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
1.	Education initiative	Education	Directly by Chambal, through KK Birla Memorial Society (KKBMS) or any other entity	Ongoing
(a)	Elementary education			
(b)	Secondary education			
(c)	Technical Education (ITIs)			
(d)	CFDAV School, Gadepan			
2.	Vocational Training Centres	Skill Enhancement	Jan Shikshan Sansthan, Ministry of HRD, Govt. of India, KKBMS or other entity	
3.	Infrastructure	Infrastructure	Directly by Chambal or through KKBMS	
4.	Health care Initiatives	Health	Directly by Chambal or through KKBMS Through Manorama Devi Birla Charitable Trust	
(a)	at Gadepan			
(b)	In Uttarakhand			
5.	Various other schemes i.e. Self Help Groups, assistance in Government Pension Schemes / LPG connections, veterinary camps, etc.	Employability and Empowerment	Directly by Chambal or through KKBMS	
6.	Soil Health Services	Maintaining quality of soil	Directly by Chambal or through KKBMS	
7.	Misc. CSR activities	All of above	Directly by Chambal or through KKBMS	

B) Monitoring Process

Sector	Monitoring mechanism
Education	<p>Education initiatives has two parts – (a) improvement of education standard; and (b) improvement of infrastructure and other facilities in schools.</p> <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 directly by the Company and / or through KKBMS under the supervision of CSR team. CSR team reports progress on fortnightly basis to CSR Head. Quality Control of Civil jobs is checked through physical inspection by a civil engineer and independent laboratory tests of random samples.</p> <p>The Company had set up CFDAV School under an Agreement with DAV Trust and Management Society. The School is managed by a local management committee</p>

	representing both Company and DAV. The Committee reviews the functioning of the school on periodical basis.
Skill Enhancement	The progress of these centres is monitored through regular site visits, progress reports, ground level feedback and practical exams.
Infrastructure	Infrastructure improvement projects are carried out directly by the Company and/or through KKBMS under the supervision of CSR team. CSR team reports progress on fortnightly basis to CSR Head. Quality Control of Civil jobs is checked through physical inspection by a civil engineer and independent laboratory tests of random samples.
Health	Visit reports are submitted by medical team to the Company's Primary Health Centre and Primary Health Centre provides the reports to CSR Team. CSR Team also visits various villages covered under health scheme and take the feedback from the beneficiaries. In case of healthcare initiatives pursued through Manorama Devi Birla Charitable Trust, the monitoring shall be through periodical progress reports and site visits of CSR personnel.
Employability and Empowerment	Facilitators make regular visits to the centres in various villages facilitating Self Help Groups, Pension schemes, LPG connections, Veterinary Camps, Farmer meetings, etc. and submit the report from time to time to CSR Team.
Soil Health Services	The Company had set up laboratories at Kota and Agra. The laboratories test samples of soil and water received from the farmers and provide report which helps the farmers in maintaining soil health by appropriate use of nutrients. The activities of laboratories are monitored through periodic reports and reviews.

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 / programme, 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 meet atleast twice a year to review the progress of the CSR projects and schemes. The Board of Directors is also apprised about these projects and schemes in every meeting.