

# **RAMAGUNDAM FERTILIZERS AND CHEMICALS LIMITED**

## **CSR POLICY**

### **VISION AND OBJECTIVE**

To enhance value creation in the society and in the community in which Company operates, through its products, services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with concern for ecology. Towards this commitment, the Company shall:

- a) Increase efficiency by optimum utilization of resources and technology.
- b) Promote sustainable farming practices to boost crop productivity in rural India.
- c) to take up welfare activities mainly focusing on economically, socially and environmentally sustainable development of underdeveloped villages.
- d) Work towards improving the quality of life by making the communities self-reliant in areas within which it operates.
- e) 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.
- f) Ensure welfare, growth and safety of all people associated with the Company.
- g) Build a sustainable enterprise that effectively balances financial strengths with social and environmental responsibilities.
- h) Undertake activities contributing towards improving the quality of life of underdeveloped sections of society at large.
- i) Facilitate development by maintaining a healthy relation between People, Planet and Profit.

### **COMPOSITION OF CSR COMMITTEE OF THE BOARD:**

The composition of the Corporate Social Responsibility Committee of the Board shall be notified from time to time, in terms of the provisions of Sub – section (1) of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (ACT). Composition of the CSR Committee will be included in the Annual Report of the Company.

### **BUDGET ALLOCATION**

2% of the average net profits (Profit before tax) made during the three immediately preceding financial years as per Companies Act, 2013. The budget shall be non-lapsable. Any unspent amount/ unutilized allocated budget in any financial year shall be carried forward to the next financial year for CSR Activity(ies) only. However, the carried forward amount should be over and above the next year's CSR allocation as per requirement of Act.



### **CSR ACTIVITY(IES)**

CSR Activity(ies) shall be undertaken in compliance with Clause (a) of sub section 3 of Section 135, the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Schedule VII of the Act. The Company shall give preference to the local area and areas around Company's operations and is committed to allocate at least 75% of the CSR budgets for these areas.

Activity(ies) under CSR project shall have the following components:

- a. Need Assessment
- b. Modalities of Execution
- c. Implementation Schedule
- d. Modalities of Utilization of Funds
- e. Monitoring/ Reporting Mechanism
- f. Impact assessment (for large projects)

The CSR activities does not include the activities undertaken in pursuance of normal course of business of a company. The CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act. Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

Further, the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

CSR Activity(ies) shall be undertaken through various agencies as permitted under the Act including registered trusts, societies, Section 8 companies, or any entity established under an Act of Parliament or a State legislature or government departments. In case of NGOs/Trust/Pvt. Companies, an established track record of 3 years in undertaking similar projects or programs would be essential.

### **DISCLOSURE**

Details about CSR policy and projects shall be published in the Annual Report of the Company and CSR Policy will be displayed on Company's website.

