



As adopted by the Board of Directors at their meeting held on 20th September, 2018.

1. PREAMBLE

KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD is committed to improve the lives of the society in which it operates. The Company believes in “**looking beyond business**” and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis- à-vis the company’s responsibilities towards the community. Our business decisions are based not only on financial factors, but also on social and environmental impact of such decisions. Our CSR Policy covers activities in the field of Environment, Health care, Education, setting up homes and Hotels for poor and aged Women & Orphans and Community Development.

2. OBJECTIVE

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

3. DEFINITIONS

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re-enactments thereof.

“**Act**” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

“**Associate Company**” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: Significant influence means control of at least 20% of total share capital or of business decisions under an agreement.

“**Average Net Profit**” means profit calculated as per Section 198 of the Companies Act, 2013.

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“Board” means the Board of Directors of the Company.

“Board’s Report” shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

“Company” means KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD.

“CSR” means Corporate Social Responsibility.

“CSR activities” means the activities or projects or programmes as recommended by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas falling under the Schedule VII to the Companies Act, 2013.

“CSR Committee” means the Committee of the Board constituted under section 135 of the Act for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.

“CSR Policy” means the Corporate Social Responsibility Policy as set out herein and approved by the Board and as amended or modified from time to time.

“CSR Rules” means Companies (Corporate Social Responsibility) Rules, 2014.

“Independent Director” means a non-executive director of the Company within the meaning of section 2(47) of the Companies Act, 2013 and clause 49(1)(a)(iii) of the Listing Agreement entered with the Stock Exchange(s).

“Holding Company” means a Company within the meaning of section 2(46) of the Companies Act, 2013.

“Net profit” means the net profit of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 but shall not include the following namely –

- (i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
- (ii) any dividend received from other Companies in India, which are covered under and complying with the provisions of section 135 of the Act.

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“Subsidiary Company” means a Company within the meaning of section 2(87) of the Companies Act, 2013.

4. CSR POLICY

KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD believes that the true measure of growth, success and progress of a Company lies in its ability to improve, enhance and enrich the lives of people. Through its social investments, KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD tries to address the needs of the community as a whole.

The key features of the Corporate Social Responsibility Policy of the Company are:

To align with the Corporate Social Responsibility Rules framed by the Ministry of Corporate Affairs, the Social investments of the Company would be broadly in the areas of health, education, environment conservation and sustainability, and social business projects.

CSR activities would be generally conducted as projects or programmes and would be activities relating to -

- a. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh setup by the Central Government for the promotion of 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;

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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;

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 any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled 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.

KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD may undertake the implementation of its CSR projects and / or programmes on its own or it may set up a Trust or Section 8 Company or Society or Foundation or any other form of entity within India in order to facilitate the implementation of its CSR projects and/or programmes.

KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD may also undertake the implementation of its CSR projects and / or programmes through Trusts, Societies, or Section 8 Companies operating in India, which are not set by KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD, and who have an established track record of at least three years in carrying on activities in related areas.

KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD may also collaborate or pool resources with its Group Companies or any other Company(ies) to implement its CSR projects and / or programmes.

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The CSR Committee, constituted by the Board of Directors of the Company, would recommend to the Board of Directors, the projects and / or programmes which can be undertaken by KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD and shall also recommend the modalities of execution in the areas /sectors chosen and implementation schedules for the same.

Based on the recommendation of the CSR Committee, the Board of Directors of the Company shall decide upon the vehicle through which the CSR projects / programmes would be undertaken i.e. whether the projects and / or programmes are to be undertaken by KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD on its own or by pooling of resources or through a Trust or Section 8 Company or Society or Foundation, whether set up by KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD or not and operating in India, or in any combination thereof.

The surplus arising out of the CSR projects or programmes would not be a part of business profits of KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD.

The corpus for CSR projects and /or programmes would include 2 per cent of the average net profits of three immediately preceding financial years any income arising there from and the surplus arising out of CSR activities.

The details of the CSR initiatives would be uploaded in the Company's website.

5. CSR ACTIVITIES

- (i) The Company undertakes the activities as recommended by the CSR committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014
- (ii) The CSR activities (either new or ongoing) have been undertaken by the Company in accordance with this policy and exclude activities undertaken in pursuance of its normal course of business.
- (iii) Subject to the provisions of section 135(5) of the Act, the CSR projects or programs or activities undertaken in India only shall qualify for CSR expenditure.

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- (iv) The CSR programs or projects or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with the Act.
- (v) Contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR activity.
- (vi) Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads shall not exceed five percent of total CSR expenditure of the company in one financial year.

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

6. CSR EXPENDITURE

- a. As per the provisions of Companies Act, 2013, the Board shall ensure that the Company spends in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years.
- b. CSR Committee shall recommend the amount of expenditure project wise to be incurred annually to the Board for its consideration and approval.
- c. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

7. MONITORING THE CSR POLICY

CSR Committee shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company and report to the Board on a regular basis the progress of CSR activities.

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**8. REPORTING**

The Board's report shall include the following particulars:

- A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
- The composition of the CSR Committee;
- Average net profit of the company for last three financial years;
- Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
- Details of CSR spent during the financial year;
- In case the company has failed to spend 2% of the average net profit of the last three financial years, reasons thereof;
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

9. Composition of Corporate Social Responsibility Committee

Corporate social responsibility consists of three directors amongst whom one is an Independent Director

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR policy of the Company. The members would thrive to hold at least one meeting in a financial year.

The quorum for the meeting of the CSR Committee on CSR shall be one-third of its total strength or two members whichever is higher or as may be decided by the Board.

The Sitting fees for attending the meeting shall be determined from time to time by the Board of Directors.

10. CONCLUSION

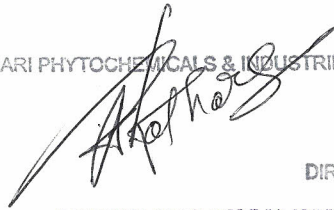
- CSR Policy is subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.



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- The Board may review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

For KOTHARI PHYTOCHEMICALS & INDUSTRIES LTD.



DIRECTOR

ANAND VARDHAN KOTHARI
(DIN- 02572346)