



CRYSTAL POLICY FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

A. PREAMBLE

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Industry & Business Organizations have realized that Government (National or State) alone will not be able to get success in its endeavor to uplift the downtrodden of Society and it would need them to continuously provide support to the Government in all possible manner.

Crystal, being a responsible Corporate Citizen, recognizes that it has a moral responsibility, to contribute its share towards upliftment of the downtrodden by engaging itself with community developmental activities and has adopted CSR as a strategic tool for sustainable growth. For Crystal in the present context, CSR means not only investment of funds for Social Activity but also integration of Business processes with Social processes.

Even much before the issue of CSR became a part of the Companies Act 2013 (“Act”), Crystal was aware of its Corporate Social Responsibility as a dutiful citizen and was fulfilling the aspiration of the society through the following way;

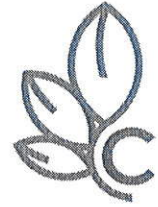
- ✓ relief & rehabilitation of victims of flood (Andhra Pradesh 2009),
- ✓ education of children belonging to EWS (monetary donation through Mohan Charitable Education Society),
- ✓ animal welfare (through Gopal Gau Sadan),
- ✓ partnering blood donation (through Lions Club),
- ✓ initiating & organizing painting competition for differently abled children (in alliance with an NGO- Deepalya), “Jai Kisan”,
- ✓ an initiative marking the birth anniversaries of Late Shri. Mahatma Gandhi & Shri. Lal Bahadur Shastri - organizing farmer education cum training for safe and judicious use of agro-chemicals,
- ✓ Belaku- a community development initiative to reach out to 300 plus women farmers (in association with an NGO- Concern India).

This has resulted not only achieving a harmonious relationship between Crystal and the communities but also a sense of pride and enjoyment in contributing towards nation building.

B. OPERATIONAL AREAS OF CSR ACTIVITIES

Crystal and its subsidiary/associate companies have its manufacturing units, corporate/registered office, depots branch/zonal offices (“Company Operation Areas”) located in multiple locations of the country. The Business of agrochemicals has found profound impact on the farmer community at large specially living in rural areas and smaller towns. Hence, the primary & immediate beneficiaries of CSR policy of the Company should be the poor, needy farmers and other section of the community/society especially from the areas surrounding & near to the Company Operation Areas.





In the aforesaid backdrop, welfare measures for the community/society initially surrounding its Company Operation Areas so as to ensure the poorer section of the Society derive the maximum benefits and subsequently for extending the same in the state and then in nearby states etc.

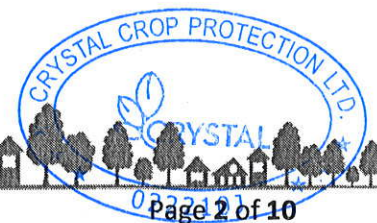
C. OBJECTIVE

- The main objective of CSR policy is to lay down guidelines for Crystal to make CSR a key business process for sustainable development of the Society.
- Crystal aims to engage deeply with the rural India and farming community to ensure they are on the path of sustained progress and development.
- To work closely with the rural India population for understanding their social upliftment barriers
- It aims at supplementing the role of the Govt. in enhancing welfare measures of the Community/Society based on the immediate and long-term social goals.
- Crystal will act as a good Corporate Citizen and would contribute continuously through its engagement in CSR activities for the economic development of India.
- Invest minimum 2% of the average net profits of the Company made during the three immediate financial years or such other limits prescribed under the law time to time, for addressing the above concerns.
- The content of this policy shall act as an approach and direction to be followed by the Company for selection, implementation and monitoring of its CSR activities as approved by the Board on recommendation of the CSR Committee from time to time.

To attain its CSR objectives in a professional and integrated manner, the Company shall concentrate on the following areas of development:

(i) **EDUCATION & UPLIFTMENT OF THE ECONOMICALLY WEAKER SECTION OF THE POPULATION AND THE FARMER COMMUNITY IN INDIA**

- Farmer education.
- Promotion of education including special education and employment enhancing vocational skills especially amongst children, women, elderly and differently abled and livelihood enhancement projects.
- Building/constructing Primary/ Higher Secondary schools.
- Taking over of the management of the existing Schools.
- Providing financial assistance to needy children from poor families in Primary, Middle and Higher Secondary Schools
- Providing/conducting adult literacy programs especially amongst those belonging to people from Below Poverty Line.
- Awareness programs on girl education.
- Counseling, making aware, improving the decision making abilities of poor, illiterates whether skilled, semi-skilled or un-skilled workers/farmers etc.
- Educating, strengthening and collaborating the products manufactured by the poor, illiterates whether skilled, semi-skilled or un-skilled workers/farmers etc with various development agencies (government/private), co-operative societies.
- Counseling of parents of poor or BPL families.





- Sponsoring Sports persons for training events in India or abroad under Indian or foreign coaches or sports institutions.
- Sponsorship of Cultural event to restore Indian Cultural Traditions and Values.
- Possibility of providing facilities for physically handicapped persons may be explored.
- Guidelines to be followed to promote sports activities by way of granting financial assistance/donation/sponsorship etc.
- Registered Clubs/Institutions which promote Sports activities may be granted financial assistance/donations/sponsorship based on the following norms:-
 - a. Sports talent development programme by Clubs/Institutions may be encouraged provided the proposal is routed through the respective Block Development Office/Sub-Divisional Office/District Office/State Associations/ local people representatives i.e. Panchayat, Pradhan/Mukhiya/MLA/MP/ Minister etc., to ascertain bonafide objective, status of activities and contribution to the society.
 - b. While sanctioning financial assistance/donation/sponsorship for State/National/International events, Crystal /Subsidiary Companies could send its representatives to ensure proper utilization of fund for the specific purpose, as well as, to ensure publicity/coverage for corporate image building.
 - c. While sanctioning financial assistance /donation/ sponsorship for encouraging talent search & nurturing by Club & Institution, CIL/Subsidiary Companies would also ensure participation of its employees and their wards to avail benefits.
 - d. As per Crystal Policy for payment of financial assistance/donation/ sponsorship Registered Clubs/Institution will furnish details as required by Crystal /Subsidiary Companies i.e. their Registration, PAN No. etc. to establish their authenticity.

(vi) GENERATION OF EMPLOYMENT & SETTING UP CO-OPERATIVE SOCIETY

- Employment facilities should be provided to the community people especially to the backward section by providing education and training thereby developing their skill for suitable Employment.
- Opportunities for self-employment should be provided by encouraging traditional craftsmanship/ handicrafts skills and making them display at mandi/shops/ Shopping Complex in and around the Operational Areas and helping them to market/sell their products on no profit & no loss basis.
- Encouraging Co-operative Societies should be formed by active participation of local people for setting up Dairies, Poultryies and Piggery etc. which will also help to generate self-employment.
- Self /Gainful Employment Opportunities – Training of Rural Youth for Self-Employment (TRYSEM) on Welding, Fabrication, and other Electronic appliances.
- To provide assistance to villagers having small patch of land to develop mushroom farming, medicinal plants, farming & other cash crops to make them economically dependent on their available land resources.
- Training may be provided by agricultural experts for above farming.





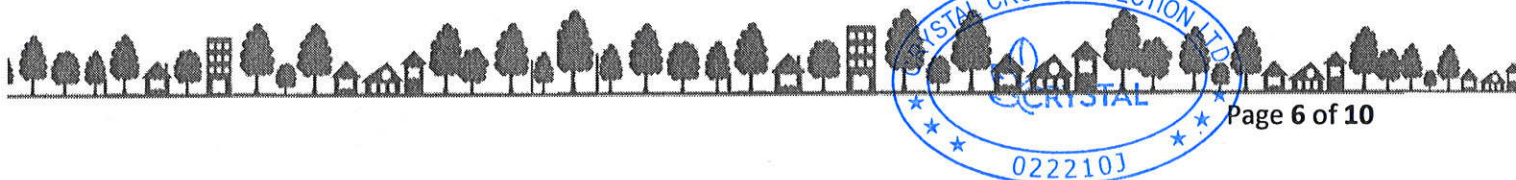
- organizing training programmes for women on tailoring Embroidery designs, Home Foods/Fast Foods, Pickles, Painting and Interior Decoration and other Vocational Courses.
- Empowerment of women for education/health & self-employment.
- Engaging a reputable NGO/NGO's or other reputable organisations to do the above partially or otherwise.

(vii) **INFRASTRUCTURE SUPPORT – CONSTRUCTION, REPAIR, EXTENSION ETC.**

- Building constructing Auditorium, Educational Institutions, Rural Dispensaries, Mobile Creches Bridges, Culverts & Roads, Check Dam, Community Centre, sponsoring a Sulabh Souchalaya, toilets, Yatri Shed in Bus Stand, Crematorium, day care centers, Development of Park, Playground/Sports complex, Old Age Home, night shelters, makeshift homes/shelters for natural disaster victims and such other measures for reducing inequalities faced by socially and economically backward groups.
- To develop infrastructural facilities for providing electricity through Solar Lights or alternative renewal energy to the nearby villages. Recurring expenditure should be borne by the beneficiaries.
- Adoption/construction of Hostels for women & orphans (especially those for SC/ST & girls).
- Upkeep of heritage sites near to Operational Areas or any such other site/s that may be requested by the state/central government.

(viii) **OTHERS (The below list is illustrative and not exhaustive)**

- Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society/locality doing/involve in upliftment of the standard of the society.
- Upkeep of any Heritage sites near to Operational Areas or any such other site/s that may be requested by the state/central government.
- Empowerment of women for education/health & self-employment.
- Relief of victims and Natural Calamities like Earthquake, Cyclone, Draught and Flood situation in any part of the country.
- Eradicating hunger, poverty and malnutrition
- Promotion of gender equality, empowerment of women.
- Assistance through financial aid for Disaster Management Activities.
- Adoption of village for carrying out the activities like infrastructural development e.g. Road, water supply, electricity and community center etc.
- Sanitation, installation/providing of/construction of Toilets/Latrine (separately for men/women) in schools, villages or public places in collaboration with the concerned authorities or independently as agreed upon.
- Protection of art & culture including restoration of buildings and sites of historical importance and works of art.
- Setting up of public libraries, promotion and development of traditional arts and handicrafts.
- Measures for the benefits of armed forces veterans, war widows, and their dependents.





- Contributions to Prime Ministers National Relief Fund or any other funds set up the Central government, for socio economic development and relief and welfare of the Scheduled castes, Scheduled Tribes, other backward classes, minorities and women.
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects.

Such other activities as may fall under the Schedule VII of the Companies Act 2013 amended time to time and activities so announced by the Government of India time to time as CSR activities, which may not be covered above.

The above list is illustrative and not exhaustive.

The activities will be specific to the village depending on the need assessed for the people. All activities done under the CSR should be environment friendly and socially acceptable to the local people and Community/Society.

D. GUIDING PRINCIPLES FOR IMPLEMENTATION OF CSR ACTIVITIES:

- a) The expenditure towards CSR should be project based and for every project time framed periodic milestones should be finalized at the outset.

The Annual Action plan of CSR Activities to be carried out during a financial year shall be formulated by the CSR Committee and shall be recommended to the Board for the approval. The Board of Directors on recommendation of the CSR Committee may alter the plan at any time during the financial year.

A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.

Provided the ongoing project(s) undertaken by the Company in fulfilment of its CSR obligation being a multi-year project shall not exceed the maximum duration of 3 years, excluding the financial year in which it was commenced.

- b) The Board shall monitor the implementation of the Project with reference to the approved timelines and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.¹
- c) The Board on reasonable justification may convert a project which was initially not approved as a multi-year project into on-going project by extending the duration beyond 1 year.

¹ Amended on May 30, 2023





d) Project activities identified under CSR are to be implemented by the CSR Committee directly or indirectly through with any or combined with the following multiple Specialized Agencies [as provided in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]:

- ✓ Registered Trusts
- ✓ Registered society
- ✓ A company v/s 8 of the Act, established by the Company for this purpose
- ✓ Statutory bodies under Act of Parliament or state legislature

The Company will ensure that the said agencies are 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 and also filed Form CSR-1 or any other as may be notified by MCA with the Registrar of Companies and have been allotted unique CSR Registration number, before entering into any CSR arrangement with such agencies w.e.f April 1, 2021.

Endeavor to extend the coverage to all poor and needy Section of the Community/ Society not only in and around its Operational Areas but gradually & subsequently extend to those living in other parts of India.

Other activities of the CSR Committee will also involve the following:

- 1) Interact with the concerned State Officials/Govt. officials to confirm the areas for undertaking activities under CSR and ensure to avoid duplicity of the job.
- 2) To decide the priority of the activities to be undertaken under CSR.
- 3) To interact with the CSR Implementing agencies for determining the activities to be undertaken.
- 4) The Committee will monitor and review the progress of activities undertaken/completed.

E. COMPOSITION OF CSR COMMITTEE²

In pursuant to the provisions of Section 135(1) of the Act, the Board of Directors shall constitute Corporate Social Responsibility Committee consisting of three or more directors, out of which at least one director shall be an independent director.

The Company Secretary of the Company shall be the Secretary of the Committee.

The Board of Directors may reconstitute Corporate Social Responsibility Committee as and when required to discharge such functions and obligation as mentioned under this Policy and as per the Act, including all applicable amendments and notifications.

F. GUIDING PRINCIPLES FOR MONITORING OF CSR ACTIVITIES

² Amended on May 30, 2023





- a) CSR committee shall approach the Board of Directors of the Company with its recommendation of the project/s it wishes to commence and the complete details/project report and the expenditure to be incurred on such project/s in each financial year.
- b) The CSR Committee shall at such intervals as may be advised by the Board to inform the activities and review of the implementation of CSR initiatives.
- c) Crystal as well as subsidiaries/associates shall include a separate/chapter in the Annual Report of the Company on the implementation of CSR activities/project including the facts relating to physical and financial progress.
- d) The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.³
- e) Utilization Certificate with statement of expenditure duly certified by the Chief Financial Officer of the Company or the person responsible for financial management of fund will be submitted to the Board of Directors, at such intervals as may be advised by the Board.

G. SOURCE OF FUND

CSR committee shall time to time spend the funds allocated towards CSR activities in compliance with legal requirements.

Out of total CSR Budget, the Committee would allocate separate budget for each and every project taken up in a financial year. The CSR project should be fixed for each financial year, however, the incomplete project can be extended or carried on in the next financial year. This funding will not lapse even if the project crosses over to the next financial year.

H. UNSPENT FUND

The Board will ensure that the unspent amount which is not related to ongoing projects will be transferred to a Fund specified in Schedule VII, within a period of 6 months of the expiry of the financial year or any other period as may be notified under the provisions of Act.

Further, the unspent amount related to an on-going project will be transferred to a special account for that financial year called the Unspent Corporate Social Responsibility Account (“Unspent CSR Account”) within a period of 30 days from the closure of the Financial year or any other period as may be notified under the provisions of Act.

Any surplus arising out of the CSR activities/project shall be ploughed back into such project or transferred to the Unspent CSR Account and spent in accordance with the action plan of the Company or to the Fund specified in Schedule VII, within a period of 6 months of the expiry of the financial year or any other period as may be notified under the provisions of Act.

³ Amended on May 30, 2023





I. BASE LINE SURVEY & DOCUMENTATION

- (a) The CSR activities where Community Development Programme is involved, base line survey may be carried out and cost benefit has to be seen in the proposed scheme through the above survey.
- (b) However, cost benefit and justification for any project has to be ascertained.
- (c) Meticulous documentation relating to CSR approaches policies, programs, expenditures, procurement etc. should be prepared and put in the public domain and made available in the Company's website and also at such website as may be required under the law.

J. UPKEEP AND MAINTENANCE OF ASSETS CREATED:

Maintenance of capital assets created under CSR and if handed over to the concerned State Government would be the responsibility of the concerned State Government and local representative of the Society, unless otherwise agreed upon with the Company. Before any capital investment is made for the benefit a particular underprivileged community, an undertaking would be taken from the representatives of that community that they would be responsible for maintenance of the asset.

K. REFLECTION OF CSR ACTIVITIES

Annual audit of all activities undertaken by the Company would be done by authorized auditor. The CSR activities will be reflected in the Director's Report of the Annual Report of Crystal and shall be in line with the requirement of the Companies Act 2013.

The CSR Committee constituted will inspect all sites and reflect the same to the Board of Directors, time to time, for their information and record.

L. CONCLUSION

The above guidelines would form the broad framework around which the CSR activities of Crystal would be undertaken.

Board of Directors or the CSR Committee will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may deem necessary.

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