



LAXMI ORGANIC INDUSTRIES LTD

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**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

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## **A. INTRODUCTION:**

Laxmi Organic Industries Limited ("Laxmi" or "the Company"), a Public Limited Company incorporated under the Companies Act, 1956 in the year 1989 with an object to manufacture, trade and market Organic, Inorganic and Specialty Chemicals in India as well as in the export market. The Company is located in different parts of India and predominantly in the State of Maharashtra and has its units spread in four (4) manufacturing locations. The Chemical Industry has profound impact on the environment as well as people living in and around the manufacturing site areas.

The Company recognizes that any sort of production activity has a direct or indirect impact on the peripheral geographical areas and it changes the traditional lifestyle of the inhabitants/communities living in that area as well as affects the socio-economic profile of the Area. The Company strives to balance out its business values and operations in ethical manner to demonstrate its commitment to the sustainable development by preparing, empowering and inspiring communities in the locational periphery of the Company's manufacturing units through various voluntary social actions covering micro-enterprises, self-help groups etc. and regarding the community as a major stakeholder and accordingly identifying their needs and addressing their concern areas to ensure a better quality of life.

## **B. OBJECTIVE OF CSR POLICY:**

In the aforesaid background, Laxmi has broadly framed a Corporate Social Responsibility (CSR) Policy to achieve the following objectives:

- a. To help enrich the quality of life of the community of the neighboring areas of the manufacturing units of the Company;
- b. To promote good practices for the environment safeguard and maintenance of the ecological balance and to create a positive impact by ensuring sustainable developments in the society;
- c. To be responsible and responsive corporate citizen by providing a welfare measures and creating a safe, harmonious and ecologically balanced environment for its members and the community at large;
- d. To maintain commitment to quality, health and safety in every aspect of the business and people;
- e. To promote equality of opportunity and diversity of workforce through its business operations;
- f. To commit for creating social value and also allow individual employees to contribute in the various programs;
- g. To provide vocational training to improve skills of people in the primarily unorganized sector.

## **C. SCOPE OF CSR ACTIVITIES:**

As required pursuant to the provisions of section 135 read with Schedule VII of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company shall endeavor its CSR activities in the following areas:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

2. Promotion education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differentially abled and livelihood enhancement projects;
3. 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 group;
4. 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
5. 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;
6. 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;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. A) 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  
 B) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
10. Rural development projects;
11. Slum area development (The term "Slum area" shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force);
12. Disaster management, including relief, rehabilitation and reconstruction activities.

**D. AREA OF OPERATION:**

1. CSR activities, programmes or projects shall be undertaken only in India;
2. The Company shall ensure that around 25% of the total CSR budget shall be spent for the

betterment of the neighboring areas where the Company's plants or distilleries or other manufacturing or processing units are located;

3. The Company through the external agencies shall ascertain the areas (which are in proximity of the location of registered office of the Company) having the most requirement for CSR funding.

**E. MONITORING MECHANISM:**

1. The CSR Committee of the Board shall be responsible to identify and carry out the CSR activities.
2. The CSR Committee shall review, scrutiny and evaluate all the proposals under CSR activity and shall submit the report, if any along with the necessary recommendation to the Board.
3. The CSR Committee shall implement suitable measures to monitor the CSR spending of the Company.
4. The Board shall, at every six month, review the implementation of CSR Policy.
5. The Committee shall prepare an Annual Report (detailing the financial & non-financial data) on CSR spending and the same shall be reviewed by the Board and shall form a part of the Board's Report.
6. The details of the CSR policy shall be displayed on the Company's website as well as shall form part of the Boards' Report.

**F. CSR BUDGET, FUNDING & CORPUS:**

1. Upon the recommendation of the CSR Committee, the budget for CSR shall be finalized and approved by the Board.
2. The Board shall ensure that in every financial year, the Company spends at least 2% of the average net profits made by the Company during the three immediately preceding financial year. The Board may at its sole discretion, approve and finalize the CSR budget exceeding the 2% of the average net profits calculated in accordance with the provisions of section 198.
3. CSR Budget once decided by the Board shall be fixed and shall be incurred during the particular year. If in any year the total CSR Budget is not spent by the Company, the Company shall utilize/transfer/provide justification for such the unspent amount as may be required under the provisions of the Companies Act, as may be amended from time to time.
4. CSR expenditure shall include all the expenditure incurred by the Company and employees to undertake the CSR activities as per the scope of CSR activities defined here above, including the contribution to the CSR corpus but does not includes, any expenditure incurred by the Company which is not in conformity or not in line with the CSR Scope.

**G. MISCELLANEOUS:**

1. The CSR Activity shall be undertaken by the Company as per this policy.
2. The Company shall not undertake any CSR projects or programmes or activities that benefit the employees of the Company.
3. The Company shall not spend the CSR budget for making any contribution, whether directly or indirectly, to any political party.
4. The Board may decide to undertake the CSR activities approved by the CSR Committee, either by itself or through registered trust or registered society or a company established by the Company or its holding or subsidiary or associate company. Provided however that:

- a. If the trust, society or company is not established by the Company or its holding or subsidiary or associate company, it shall have a track record of 3 years in undertaking similar programmes and projects.
  - b. The Company shall specify the programmes or projects to be undertaken by the through the above entities and the modality of the utilization of funds, monitoring and reporting mechanism.
5. The Company may also collaborate with other companies for undertaking projects, programmes as per CSR Scope, provided that the CSR Committee of each companies are in a position to report their respective CSR separately.
  6. The Company may also spent upto 5% of the total CSR Budget in building CSR capabilities (including expenditure on administrative overheads) of its own personnel as well as those of implementing agencies.
  7. The Corporate Social Responsibility Policy shall be reviewed periodically by the CSR Committee or at such intervals as and when required.

**H. AMENDMENTS:**

The Board may, subject to the applicable laws amend any provision(s) or substitute any of the provision(s) of this Policy with new provision(s) or replace this Policy in entirety.

**I. EFFECTIVE DATE:**

The Policy as approved by the Board shall be effective November 25, 2020.

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*Approved and Adopted by Board of Directors of Laxmi at their meeting held on November 25, 2020*