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1. OBJECTIVE

The main objective of the Corporate Social Responsibility (CSR) Policy ('Policy') is to lay down guidelines for "**Insecticides (India) Limited**" (IIL) to make Corporate Social Responsibility (CSR) as one of the key focus areas to adhere to IIL's Global Living Progress strategy that focuses on making a positive contribution to society through high impact, sustainable programs.

2. SCOPE

This Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

The Company proposes to implement its CSR activities in various sectors stated hereunder:

- Education
- Green Initiatives
- Facilities for Senior Citizens
- Rural Development
- Vocational Skills
- Entrepreneurship Skills
- Employment Opportunities
- Medical Aid
- Healthcare
- Old Aged Homes
- Women Hostels
- Special Employment Opportunities for Women
- Environment Protection
- Animal Welfare
- Conservation of Natural Resources
- Protection of National Heritage
- Promoting and Development of Art and Culture

- Public Libraries
- Promotion and Development of Traditional Arts and Handicrafts
- Measures for Armed Forced Veterans, War widows and their dependents
- Promotion and Development of Rural Sports and National Game
- Development of Slum Area

The Company will review the sectors from time to time and make additions/deletions/clarifications to the above sectors.

3. CSR COMMITTEE

3.1 Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors.

3.2 Powers of the Committee

Following are the Powers of the CSR Committee:

- i. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval;
- ii. Recommend CSR activities as stated under Schedule VII of the Act;
- iii. Recommend the CSR Budget;
- iv. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;
- v. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- vi. Monitor CSR Policy from time to time;
- vii. Authorize executives of the Company to attend the CSR Committee Meetings;
- viii. Create transparent monitoring mechanism for implementation of CSR initiatives in India;
- ix. Submit the report to the Board in respect of the CSR activities undertaken by the Company.

3.3 Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet atleast twice in a year. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorums for the meeting have at least three members. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder from time to time. Minutes of the CSR Committee shall be placed before the Board for noting.

4. CSR BUDGET

The Act mandates companies meeting the qualification criteria to allocate certain portion of its annual net profits (before tax) during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

4.1 CSR Expenditure:

Net profit means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors 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 stated under Schedule VII of the Act.

4.2 Failure to spend the CSR Money:

In case the Company fails to spend the minimum amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular financial year. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

5. MONITORING MECHANISM

To ensure effective implementation of the CSR programs outlined in the CSR Policy and execution of the identified CSR Projects, the Committee shall appoint as internal monitoring group comprising of three members. The progress of CSR programs under implementation will be reported to the Board of Directors on a half yearly basis. The CSR Policy and its implementation shall be evaluated amongst others, on the following criteria:

- Technical appraisal of the project;
- Financial appraisal of the project especially the cost estimates and the funding arrangement;
- Time chart/project schedules and funding requirements for each stage;
- Project Documentation

All relevant progress reports of the project shall be obtained for study and gap analysis. Disclosures meeting with the implementation team shall be convened for identification of reasons for the gaps (if any) and corrective actions to be taken.

Reports of the impact of the CSR activities done by the Company shall be submitted to the Board of Directors to determine the status and if required, the effectiveness of CSR activities of the Company.

6. REPORTING MECHANISM

CSR Committee shall report to the Board of Directors along with its comments for the contribution made by the Company. Appropriate documentation of Company's CSR Policy, annual CSR activities, executing partners and expenditure entailed will be undertaken on a regular basis and shall be intimated to the Board.

7. PUBLICATION OF CSR POLICY & PROGRAMS

The Board's Report being a part of the Annual Report shall disclose the composition of the CSR Committee, the contents of such Policy and the CSR initiatives undertaken. This CSR Policy shall also be placed on the website, if any, of the Company.

8. AMENDMENT

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.