

RAMA PHOSPHATES LIMITED

Corporate Social Responsibility (CSR) Policy

(As approved by the Board of Directors on August 12, 2014)

TABLE OF CONTENTS

<u>Sr. No.</u>	<u>Particulars</u>	<u>Page No.</u>
1	Context	3
1.1	Objectives of the Policy	3
1.2	Definitions	4
1.3	CSR Activities	4
1.4	The Geographic Reach	6
1.5	Annual Spends/Allocation of Funds	6
2	CSR Committee	6
2.1	Guiding Principles for Constitution of CSR Committee	6
2.2	Committee Members	7
2.3	Scope of Functions of CSR Committee	7
2.3.1	Notified CSR Activities	7
2.3.2	Ancillary Activities	8
2.3.3	Transparent Monitoring Mechanism	9
3	Procedures	9
3.1	Funding	9
3.2	Planning and implementation	10
3.3	Review and Reporting	11
4	Monitoring	12
5	Amendments to the Policy	12
6	Disclosures	12

1. Context

While **Rama Phosphates Limited** continues to provide expert outsourcing options, it has not lost sight of its commitment to play its role as an enlightened corporate citizen. Corporate Social Responsibility has always been on its agenda. Further pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having net worth of Rs. 500 Crores or more or turnover of Rs. 1,000 Crore or more or net profit of Rs. 5 Crores or more shall constitute Corporate Social Responsibility Committee ('CSR Committee') and the CSR Committee shall formulate and recommend Policy.

The CSR Committee so constituted formulated Policy on Corporate Social Responsibility (CSR Policy) and recommended the same to the Board of Directors of the Company ('Board') for its approval. The Board vide its resolution dated August 12, 2014 approved and adopted the CSR Policy with immediate effect.

1.1 Objectives of the Policy

This Policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (Collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will inter-alia provide for the following:

- Establishing a guideline for compliance with the provision of Regulations to dedicate a percentage of Company's profits for social projects
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedure and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

1.2 Definitions

In this policy unless the context otherwise requires:

- (a) 'Act' means Companies Act, 2013;
- (b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014;
- (c) 'Ministry' means the Ministry of Corporate Affairs;
- (d) 'Net profit' means net profit as defined in Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as set out below:.

Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, 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.
- (e) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

1.3 CSR Activities

The Policy recognises that Corporate Social Responsibility is not merely compliance, it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects;
- iii. 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;
- iv. 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;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of arts; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, naturally recognized sports, Paralympic Sports and Olympic Sports;
- viii. Contribution to 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;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural Development Projects;
- xi. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- xii. Any other activity as board deemed fit towards betterment of society including upliftment of individual and as amended and notified by Ministry from time to time.

CSR activities may be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

1.4 The Geographic reach

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in the state of Maharashtra and such other state(s) in India wherein the Company may or may not have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

1.5 Annual spends/Allocation of Funds

1.5.1 The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The Surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid any income arising there from and surplus arising out of CSR activities.

1.5.2 However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

2. CSR Committee

2.1 Guiding Principles for Constitution of CSR Committee

The CSR Committee will consist of three directors out of which one is independent director.

The Committee may meet at least once in a year to discuss and review CSR activities and Policy. A Quorum of two members is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via such audio-visual means as permitted

under the Act. The Committee shall have the authority to call such employee(s), senior official(s) The Company Secretary should act as Secretary to the committee.

2.2 Committee Members

The Chairman and Members of the Committee are as follows:

Sr. No.	Name	Chairman/Member
1	Mr. D.N.Singh	Chairman
2	Mr. H.D.Ramsinghani	Member
3	Mr. K Raghuraman	Member

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2.3 Scope of Functions of CSR Committee

The functions of CSR Committee will, *inter-alia*, include the following:

2.3.1 Notified CSR Activities

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently 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 groups;
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;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of arts; 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;
7. Training to promote rural sports, naturally recognized sports, Paralympic Sports and Olympic Sports;
8. Contribution to 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;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural Development Projects;
11. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
12. Any other activity as board deemed fit towards betterment of society including upliftment of individual and as amended and notified by Ministry from time to time.

2.3.2 Ancillary Activities:

- i. To Publicise the CSR Policy and initiatives org-wide, especially through mailers, screensavers and Policy documentation and upload(s) on website.
- ii. To plan and carry out workshops to increase employee awareness on various projects and initiatives.
- iii. Such other activities as directed by the Board of Directors of the Company and/or as deemed appropriate and expedient by the committee for the furtherance of CSR objectives of the Company, in pursuance with the Regulations.

2.3.3 Transparent Monitoring Mechanism:

The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee/ external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

3. Procedures

3.1 Funding

1. As per the Regulations the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any unutilized CSR allocation of a particular year, will be carried forward to the following years i.e. the CSR budget will be non-lapsable in nature.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilised in the respective years. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of Sub-section (3) of Section 134 of the Act, shall specify the reasons for not spending the amount.

2. Tax treatment of CSR Spend will be in accordance with the Income Tax Act, 1961 as notified by the Central Board of Direct Taxes (CBDT).

3.2 Planning and implementation

1. For the purpose of focusing its CSR efforts in a continued and effectiveness, Education and literacy Enhancement is identified as a main thrust area, besides other activities permitted under the Regulations.
2. A list of CSR projects/programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/ sectors chosen and implementation schedules for the same.
3. Identification of projects and the executing agency/NGO may be made, inter-alia by assessing the following:
 - a. Project Objectives.
 - b. Baseline survey-As is and To-be state basis, accordingly the outcome of the project will be measured.
 - c. Implementation schedules- Timelines for milestones of the project will need to be prescribed and agreed upon.
 - d. Responsibilities and authorities.
 - e. Major results expected and measurable Outcome including the expenses/charges ratio as against the actual CSR spends.
4. If the Company decides to set up a Trust or Section 8 Company or Society or Foundation or any other form of entity operating *within* India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:
 - a. The Company would need to specify the projects/programmes to be undertaken by such an organization, for utilizing funds provided by it;

- b. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only;
5. The Company may also conduct/implement its CSR programmes through trusts, Societies or Section 8 Companies *operating* in India, which are not set up by the Company itself, herein collectively referred to as 'CSR Partner' or 'CSR Partner(s)'
6. Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.
7. Company may collaborate or pool resources with other companies to undertake CSR activities within India. Only activities which are not for the benefits of employees of the Company or their family members shall be considered as CSR activity.

3.3 Review and Reporting

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors once in a year/such intervals as deemed fit.

The Company will report, in the prescribed format as set out herein as Annexure I, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April 2014.

4. Monitoring

1. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, report on executions by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
2. Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
3. The CSR Committee and persons/entities authorised by it, may conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
4. Based on analysis of current projects, may carry out roadmap planning for allocation of budget and selection of projects. The same will be done atleast once in a financial year.
5. Plan and publish an annual calendar of major events so as strive for maximum participation of stakeholders.

5. Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR Committee may amend the CSR Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

6. Disclosures

The Annual Report of the Company include a section on CSR outlining the CSR Policy, CSR committee, CSR initiatives undertaken by Company, the CSR spend during the financial year and other information as required by the prevailing law.


D.J. Ramsinghani
Chairman & Managing Director)


D.N. Singh
(Chairperson CSR Committee)