

**ALUFLUORIDE LIMITED**  
**POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

**1. CSR Philosophy**

Alufluoride Limited is committed to behave responsibly towards people, society and the environment for inclusive growth of the society where we operate, to conserve natural resources and to develop sustainable products.

**2. CSR Policy**

**2.1 Purpose**

Company's CSR Policy sets out its commitment to ensuring that its activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. It provides a guideline to conduct CSR activities to promote sustainable development of the society.

**2.2 CSR PROJECTS / PROGRAMES**

Projects may be taken up by the Company directly or through implementing agencies, government bodies, district authorities, village panchayats to carry out any CSR initiatives, in accordance with the policy. The Company is committed to undertake the following CSR projects / programs / activities as prescribed by applicable laws, including Schedule VII of the Companies Act, 2013, as amended from time to time:

- 2.2.1 eradicating hunger, poverty and malnutrition, promoting 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;
- 2.2.2 promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 2.2.3 promoting gender equality empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 2.2.4 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;
- 2.2.5 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;
- 2.2.6 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;
- 2.2.7 training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

- 2.2.8 contribution to the 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;
- 2.2.9 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;
- 2.2.10 rural development projects;
- 2.2.11 slum area development;
- 2.2.12 disaster management, including relief, rehabilitation and reconstruction activities; and
- 2.2.13 such other activities as may be specified under the Act or the CSR Rules from time to time.

The CSR activities shall be undertaken within the territory of the Republic of India.

## **2.4 Governance Structure:**

### **2.4.1 CSR Committee:**

The Company shall constitute a Corporate Social Responsibility ("CSR") Committee of the Board if the amount to be spent by the Company under sub-section (5) of Section 135 exceeds the limit as prescribed in a financial year. The CSR Committee shall comprise at least of such number of directors as is mandatorily required by applicable laws. The Committee shall hold meeting as and when required, to discuss various matters related to CSR activities of the Company.

The Committee's terms of reference shall include:

- formulating CSR policy;
- recommending projects/activities to be undertaken by the Company;
- define budgeted expenditure for such projects / initiatives;
- monitoring budget and implementation of initiatives / projects;
- update the Board of Directors of the Company from time to time;
- review the CSR policy from time to time and provide directions to the Committee and Board members in line with the provisions of the Companies Act, 2013.

The CSR Activities to be undertaken by the Company under the Policy shall be approved by way of Annual Action Plan by the Board on the recommendation of the CSR Committee.

The Annual Action Plan shall, inter alia, contain the following with respect to the CSR Activity proposed to be undertaken by the Company:

- i) list of CSR Activities to be undertaken in the relevant financial year;
- ii) local area where the CSR Activities are to be undertaken;
- iii) manner of execution;
- iv) modalities of utilisation of funds;
- v) implementation schedule;
- vi) monitoring and reporting mechanism;

vii) details of need and impact assessment, if any.

#### **2.4.2 Manner of selection and execution of CSR projects:**

The CSR projects may be selected by the Board/CSR committee, either based on its own discretion, or based on recommendations by any stakeholders of the Company. The Board/CSR Committee, after identifying and approving a CSR projects, may fix a target spending and shall further recommend an execution mechanism for such CSR projects.

#### **2.5 CSR Expenditure:**

Every year, the Company shall with the approval of its Board of Directors make a budgetary allocation for CSR activities/ projects for the year as per approved Annual Action Plan. The budgetary allocation will be based on the profitability of the Company and the requirements of applicable laws.

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR projects undertaken in accordance with the approved CSR projects. Further, any surplus arising out of CSR projects shall not form part of the business profit of the company.

Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.

In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.

### **3. Monitoring and Reporting Framework:**

The Company recognises that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of targets. Under the overall supervision of the Board and the CSR Committee, the Implementation Agency (in case, the CSR Activities are undertaken by any other Implementation Agency), shall be responsible to monitor the CSR Activities.

The Board/CSR Committee shall review the progress on Annual Action Plan preferably on quarterly basis but not less than once in a year. Further the Board shall review the status of implementation and fund utilization of the various projects and programmes as per approved Annual Action Plan at least once in a year. For the Board to satisfy itself that disbursed CSR funds have been utilized for its intended use, it can rely on the certificate issued by the CFO of the Company.

### **4. Disclosures**

Details of composition of the CSR Committee, if any, the CSR policy, the CSR Committee charter and details of CSR Activities approved by the Board shall be available on the Company website at <https://www.alufluoride.com>. Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.

**5. Amendments to the policy:**

The Board of Directors, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as required from time to time.