



INSECTICIDES (INDIA) LIMITED

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Document Number	P3
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CORPORATE SOCIAL RESPONSIBILITY POLICY

Insecticides (India) Limited is known for its Social Responsibility for long time before the incorporation of Corporate Social responsibility in the Companies Act. Corporate Social Responsibility is part of the way Insecticides (India) Limited to do business with commitment to the community, for a green environment, safe workplace, educated generations and good health, for a sustainable future. CSR is of utmost concern at the Company, while Company undertakes several CSR initiatives at local level. With the advent of the Companies Act, 2013 (“Act”) the Company Constituted the Corporate Social Responsibility and Sustainability Committee (CSR Committee) of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company has formulated a CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

1. Short title, commencement and objective

- (1) This Policy may be called the Corporate Social Responsibility Policy
- (2) This Policy shall be applicable from April 01, 2015
- (3) The objective of this policy is:
 - a) 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;
 - b) To fulfil the directive of the Companies Act, 2013 and enjoining prescribed companies to develop and implement a CSR policy specifying the activities to be undertaken by the Company

2. Definitions

For the purpose of this Policy, the following words will carry the meaning as under:

- (1) **“Act”** The Act means Companies Act, 2013 and the rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof
- (2) **“Administrative overheads”** means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- (3) **“Board”** means the Board of Directors of Insecticides (India) Limited.

- (4) **“Company”** means Insecticides (India) Limited or IIL.
- (5) **“Corporate Social Responsibility”** means Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013 and amended from time to time.
- (6) **“CSR Activity”** means and includes but is not limited to:-
- a) Projects or programmes relating to activities specified in Schedule VII to the Act as amended from time to time;
 - b) Projects or programmes relating to activities undertaken by the Board of Directors of a Company (the Board) in pursuance of recommendations of the CSR Committee of the Board in the manner prescribed in the CSR policy.

Exclusions, the activities mentioned below shall not be considered within the meaning of CSR Activity-

- (i) activities undertaken in pursuance of normal course of business of the company
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- (7) **“CSR Committee”** means the CSR Committee or any other name as may be approved by the Board and formed under Section 135 of the Act.
- (8) **“Net profit”** shall mean the net profit as defined in the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (9) **“Average Net Profit”** shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.
- (10) **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

The words and phrases not defined under this Policy will carry the same meaning as defined under the Articles of Association of the Company; the Securities and Exchange Board of India Act, 1992 read with the rules and regulations made thereunder, including the Listing Regulations; and the Companies Act, 2013 read with the rules made thereunder. This CSR Policy shall also be subject to such clarifications and FAQs as may be issued by Ministry of Corporate Affairs from time to time

3. Scope

This policy shall apply to all CSR initiatives and activities undertaken at the various locations in India. IIL is aimed to implementing projects directly through IIL and includes IIL foundation (Non-profit Trust), implementing agencies, Non-profit organizations / trusts as well as partnering with the central / state / UT government department including various institutions, universities, schools and hospitals.

4. Focus Area of CSR

IIL core values are guiding force of our CSR initiatives. Our commitments are not restricted to the development of communities around us, however as we work on initiatives that cater to the wider national interest. IIL shall undertake any program after sound assessment of the scope, need, projected benefits to the society. 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. Our commitment majorly classified in following focus areas:

- (1) **Farmers welfare / Kisaan Jagrukta:** to conduct awareness programme among the economically underprivileged farmers to build holistic growth, health improvement, vocational and development of lively skills.
- (2) **Education/ Child welfare / Project Vidya:** Focus on promoting education includes special education and employment enhancement, vocational skills

among children, women, elderly, differently abled and eco-socially backward class of persons.

- (3) **Environmental Protection and sustainability:** environmental protection includes protection, conservation and maintenance of ecological balance and environmental sustainability.
- (4) **Swasth Bharat / Clean India:** A holistic approach towards cleanness of the environment which includes soil, water, air and health care of the marginal section of the society.
- (5) **Medical Aid/ Healthcare**
- (6) **Women Empowerment**

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

5. Geographical reach and Target groups

The company understands that the company could not able to reach to every place but to keep focused it has defined the geographical area and Target groups for its CSR activities as under:

- (1) **Geographical Reach:** The Company undertake the Geographical reach as to be defined under Companies Act, 2013 and rules and regulations made under and a need-based approach with focused CSR projects around its manufacturing units, registered office, corporate offices and depots etc. However, this does not restrict the company to undertake impactful projects in

other areas defined in the geographic boundary of the country. All CSR activities are to be undertaken within the geographic boundary of the country.

- (2) **Target Group:** People at the bottom of the socio-economic pyramid/ underserved communities, small holder, marginal farmers, girls, women, youth, senior citizen; and communities affected by calamities

6. CSR Committee

- (1) Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility and Sustainability Committee (CSR Committee). The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of three or more Directors, out of which at least one director shall be an independent director.

- (2) Power, Duties and responsibilities of CSR Committee

- a) To develop and propose amendments to the Corporate Social Responsibility (CSR) policy for consideration by the Board of Directors. The proposed amendments shall clearly delineate the specific activities to be undertaken by the Company in accordance with the guidelines outlined in Schedule VII of the Companies Act, 2013.
- b) To recommend the yearly CSR Budget and amount of expenditure to be incurred on the activities;
- c) Spend the allocated CSR amount on the CSR activities in accordance with the Act and the CSR Rules;

- d) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- e) To monitor the implementation of the projects including ongoing projects of the Company;
- f) Authorize executives of the Company to attend the CSR Committee Meetings;
- g) Create transparent monitoring mechanism for implementation of CSR initiatives in India;
- h) Any other powers, duties and responsibility as may be specified under the Act and rules made thereunder and any other law as may be applicable.

(3) Frequency of the Meetings of the CSR Committee

- a) Duration: The CSR Committee shall meet at least twice in a financial year. Members of the CSR Committee can agree upon mutually regarding date, day, time and place for the said meetings.
- b) Quorum: the quorum for the meeting have at least two 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.
- c) Minutes: the Minutes of the CSR Committee shall be placed before the Board for noting.

7. CSR Budget

In accordance with the provisions of Section 135 read with schedule VII and other applicable provision of the Companies Act, 2013 and the Rules and regulations made thereunder (including any statutory modifications or re-enactment thereof) the Company shall allocate, in every financial year, at least two percent of the average net profit of the company made during the three immediately preceding financial years to be spent on CSR Activities as mentioned in section 4 of this policy and fall under purview of Schedule VII of the Act.

The company has defined the maximum permissible limits for administrative overheads as “5% of Total CSR Expenditure of the company in the given financial year”, in line with the CSR Rules.

Classification of Projects-Ongoing and One time

As per Section 135 and the CSR Rules, the Company implements two kinds of projects i.e., Ongoing Projects & Onetime Projects, defined as:

7.1 Ongoing Projects: Those projects approved by the Board as multi- year projects with a timeline not exceeding 3 years excluding the year of commencement

7.2 One-time Projects: Those projects approved by the Board for execution and closure in the same FY as the year in which it is approved and NOT classified as multi-year or ongoing projects.

This classification of projects shall determine various treatments to be met out to projects.

8. Unspent and excess spent CSR Amount

- (1) Unspent CSR Amount: In case the Company fails to spend the CSR Budgeted 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 and unless the unspent amount relates to any ongoing project as defined in this policy, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- (2) Any amount remaining unspent, pursuant to any ongoing project, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- (3) Excess CSR Spent: In case the Company spent in excess of CSR Budgeted amount, such amount may be set off against the requirement to spent of

succeeding financial years or as may be decided by the Committee members and board in accordance with to the applicable provision of the Companies Act, 2013

9. Capital Assets

In accordance with the provisions of the Companies Act, 2023, the CSR amount may be spent by the company for 'creation or acquisition' of a capital asset. This capital asset 'created or acquired' out of CSR funds shall be held by IIL Foundation (Non-profit Organization) in accordance with the Rule 7(4) of Companies (CSR) Rules, 2014 as amended thereof.

10. Responsibilities of the Board

- a) Approve yearly CSR budget recommended by CSR committee
- b) Approve amendments to the Corporate Social Responsibility (CSR) after giving due consideration to the recommendations put forth by the CSR Committee.
- c) Ensure disclosure of company's CSR details in the annual report under CSR Rules
- d) Ensure the execution of CSR activities as outlined in the CSR Policy by IIL and verify that such initiatives align with the categories specified in Schedule VII of the Companies Act. This involves validating a direct correlation between planned CSR endeavors and the stipulated regulatory criteria.
- e) Oversee the progress of ongoing CSR projects and seek approval from the CSR Committee to modify these projects as part of the annual action plan.

11. CSR Review, Audit, and Impact Assessment

- (1) Review and audit: The Company shall periodically review the CSR spent of the Company, IIL Foundation and implementing agencies by the CSR Committee members or appointing independent agency to review and audit.
- (2) Impact Assessment: The Company shall undertake impact assessment from an Independent agency, if the average CSR obligation is Rs. 10 Crores (Rupees Ten Crores) or more in the three immediately preceding financial years, for its CSR projects having the outlays of Rs. 1 Crore (Rupees one crore) or more and have been completed more than one year before undertaking the impact study;

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR;

- (3) The Company may book the impact assessment expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 2% of the total CSR expenditure for that financial year or Rs. 50 Lakh (Rupees Fifty Lakh), whichever is higher.

12. General, Revision and Amendments

The CSR Policy referred to above is to be read in conjunction with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.

The Board reserve the right to amend or modify this Policy in whole or part, in accordance with any regulatory amendment or notification or otherwise, at any time

without assigning any reason whatsoever. Any such amended Policy will be updated on the website of the Company.

The Board hereby authorize the Company Secretary to amend the Policy for any statutory amendment / modification.

List of Approval and Amendments

<i>Approval and Amended By</i>	<i>Meeting date</i>
<i>Corporate Social Responsibility Committee and Board of Directors</i>	<i>11/02/2015</i>
<i>Corporate Social Responsibility and Sustainability Committee and Board of Directors</i>	<i>30/05/2023 effective from 01/04/2023</i>
<i>Corporate Social Responsibility and Sustainability Committee and Board of Directors</i>	<i>09/08/2024</i>