



ALBATROSS FINECHEM PRIVATE LIMITED

Corporate Social Responsibility Policy (CSR Policy)

This policy is effective from
6th November, 2024.

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1. **OBJECTIVE & SCOPE:**

Objective

The primary objective of this CSR Policy is to integrate Corporate Social Responsibility into the Company's core operations, ensuring it becomes a fundamental part of its broader strategic vision. The aim is to contribute meaningfully to society through high-impact, sustainable programs that address key social, environmental, and economic challenges. This policy serves as a guiding framework for the Company's CSR initiatives, ensuring they align with its values while fostering long-term value creation for the community and the broader societal ecosystem.

Scope and Alignment

This policy defines the CSR activities the Company is currently engaged in and those proposed for the future. All initiatives are aligned with Schedule VII of the Companies Act, 2013, as amended from time to time, ensuring legal compliance and strategic focus.

Implementation and Focus

This policy prioritizes CSR initiatives implemented within India, reinforcing the Company's commitment to the nation's social and economic development. In addition to ongoing activities, it provides a strategic roadmap for the future, aiming to:

- Identify and invest in new opportunities for impactful CSR programs.
- Strengthen and scale existing initiatives to maximize benefits.
- Ensure all efforts are measurable, sustainable, and scalable.

Governance and Compliance

By establishing clear guidelines and ensuring compliance with legal provisions, this policy promotes ethical and responsible corporate citizenship. It seeks to create a lasting positive impact while enhancing the Company's reputation as a socially responsible entity.

2. **CSR ACTIVITIES:**

In line with the Companies Act, 2013, ALBATROSS is committed to responsible business practices that drive social, economic, and environmental progress. Our CSR initiatives focus on the following key areas:

A. Hunger, Health, and Sanitation

- Combating hunger, malnutrition, and poverty through food distribution and nutrition programs.
- Promoting healthcare through free medical camps, preventive care, and improved sanitation.
- Ensuring access to safe drinking water in underserved areas.

B. Education and Skill Development

- Supporting education for children, women, and the differently-abled through scholarships, learning materials, and school infrastructure.
- Enhancing vocational skills and employment opportunities through training programs.
- Promoting digital literacy and adult education.

C. Rural Development

- Improving rural infrastructure, including housing, roads, sanitation, and clean water facilities.
- Supporting livelihood programs in agriculture, dairy, and small enterprises.

D. Gender Equality and Women Empowerment

- Encouraging gender equality through awareness programs and legal aid.
- Establishing shelters and livelihood opportunities for women and vulnerable groups.

E. Environmental Sustainability

- Promoting afforestation, waste management, and water conservation.
- Supporting renewable energy and sustainable farming practices.

F. Heritage, Art, and Culture

- Preserving cultural heritage through restoration and support for artisans.
- Promoting traditional crafts and public libraries.

G. Other Social Initiatives

- Engaging in activities as permitted under Schedule VII of the Companies Act, 2013.

3. CSR COMMITTEE CONSTITUTION:

As per the provisions of Section 135 of the Companies Act, 2013, read with the Companies (CSR Policy) Amendment Rules, 2021, if a company's CSR obligation is less than ₹50 lakh in a financial year, it is not mandatory to constitute a CSR Committee.

In such cases, the Board of Directors shall directly oversee and discharge the functions that would otherwise be handled by the CSR Committee. These responsibilities include:

- Formulating and approving the CSR Policy in alignment with the company's CSR objectives and legal requirements.
- Ensuring compliance with the prescribed CSR spending obligations under the Act.
- Monitoring CSR activities and projects, including reviewing their implementation and impact.
- Approving CSR expenditure and ensuring that funds are utilized for activities specified under Schedule VII of the Act.
- Reporting CSR activities and spending in the Board's Report as per the prescribed format in the Companies (CSR Policy) Rules, 2014.

4. CSR BUDGET & CSR SPEND POLICY:

In accordance with Section 135 of the Companies Act, 2013, read with the applicable Companies (CSR Policy) Rules, the Company is committed to fulfilling its Corporate Social Responsibility (CSR) obligations as follows:

A. CSR Spending Obligation

- a. The Company shall endeavour to spend, at least 2% of its average net profits made during the three immediately preceding financial years, or such other limit as may be prescribed under the Act, on CSR initiatives in line with this CSR Policy.

B. Scope of CSR Expenditure

- a. The CSR expenditure shall include all direct and indirect costs incurred by the Company on CSR programs undertaken in accordance with the approved CSR Plan.
- b. Administrative overheads related to general management and administration of CSR functions shall not exceed 5% of the total CSR expenditure for the financial year.

C. Utilization of Surplus from CSR Activities

- a. Any surplus arising from CSR activities shall be utilized for CSR initiatives within six months from the end of the relevant financial year.
- b. Any income generated from CSR programs shall be netted off from the CSR expenditure, and the net amount shall be reported as CSR spending.

D. Excess CSR Spending

- a. If CSR expenditure in any financial year exceeds the statutory requirement, the excess amount may be set off against CSR obligations for the next three financial years, subject to approval by the Board.

E. Multi-Year (Ongoing) CSR Projects

- a. The Company may undertake multi-year CSR projects in accordance with Schedule VII of the Act and this CSR Policy.
- b. The Board shall evaluate the timelines required for completion of such CSR projects and ensure their execution as ongoing projects in compliance with Section 135(6) of the Act.

- c. The Board shall also monitor the implementation of these projects with reference to the approved timelines and year-wise allocation and may make necessary modifications, if required, to ensure smooth execution within the permissible time frame.
- d. An “Ongoing Project” refers to a multi-year project undertaken by the Company in fulfilment of its CSR obligation, with a timeline not exceeding three years, excluding the financial year in which it was initiated. It also includes projects that were originally not planned as multi-year projects but whose duration has been extended beyond one year by the Board for justifiable reasons.

F. Creation or Acquisition of Capital Assets under CSR

- a. The Company may utilize its CSR funds to create or acquire capital assets, provided that such assets are held by:
 - i. A company established under Section 8 of the Act, or a Registered Public Trust or Society with charitable objectives and a valid CSR Registration Number under Rule 4(2).
 - ii. Beneficiaries of the CSR project, such as self-help groups, collectives, or other eligible entities.
 - iii. A public authority, as defined under the Act.

G. Treatment of Unspent CSR Funds

- a. Any unspent CSR amount that does not relate to an ongoing project shall be transferred to a fund specified in Schedule VII of the Act within a period of six months from the expiry of the relevant financial year.

5. CSR INITIATIVES & ANNUAL CSR PLAN:

In accordance with Schedule VII of the Companies Act and the CSR Rules, the Company shall undertake CSR activities as outlined in its Annual CSR Plan. The plan will be approved by the Board of Directors at the start of each financial year. The Board is also authorized to modify the existing Annual CSR Plan or introduce new programs during the course of the financial year, if necessary, based on changing circumstances or opportunities.

The Annual CSR Plan is a comprehensive, yearly blueprint that outlines the Company's CSR initiatives and is presented to the Board of Directors for approval. The plan includes the following key components:

- a. **List of CSR Projects or Programs:** A detailed list of CSR projects or programs the Company plans to undertake, aligned with the areas specified in Schedule VII of the Act.
- b. **Execution Methodology:** The approach for the execution of each project or program, including the strategies and operational procedures.
- c. **Fund Utilization and Implementation Schedules:** Clear details on the allocation and utilization of CSR funds, along with a timeline for the implementation of each project or program.
- d. **Monitoring and Reporting Mechanisms:** The processes for tracking the progress of the projects or programs, including how results will be measured and reported to the Board.
- e. **Need and Impact Assessment:** If applicable, an assessment of the social or environmental need for each project, as well as an analysis of the expected impact of the CSR activities undertaken by the Company.

The Board may amend or modify the Annual CSR Plan during the financial year based on new recommendations, justifications, or evolving circumstances. Any such changes will be made with the goal of enhancing the effectiveness and impact of the Company's CSR efforts.

6. **COLLABORATION:**

The Company may collaborate with its Affiliates, subsidiaries, or any other organization, as approved by the Board, to implement CSR activities. These collaborations will be incorporated into the Annual CSR plan, ensuring that all parties involved work towards shared CSR objectives and contribute to the success of the initiatives.

Additionally, the Company may establish its own Trust, Society, or Company to manage and execute CSR activities in compliance with the CSR Rules. This will allow the Company to have

greater control and flexibility in administering its CSR programs. Alternatively, the Company may choose to form joint ventures with its Affiliates, subsidiaries, or other companies to establish Trusts, Societies, or Companies dedicated to overseeing and implementing CSR initiatives collectively. These collaborative efforts aim to maximize the impact of CSR activities while ensuring transparency and effective management.

7. DISQUALIFYING ACTIVITIES FOR CSR:

Any contributions or activities that are not in accordance with the provisions outlined in the Companies Act will not be considered as CSR initiatives. The CSR Rules specifically prohibit the following from being classified as CSR:-

- a. **Activities for the benefit of employees:** Any CSR activities that solely benefit the employees of the Company, including welfare programs or benefits specifically for employees, are excluded.
- b. **CSR activities outside India:** The Company cannot undertake CSR activities outside India, with the exception of training Indian sports personnel who represent any State or Union Territory at the national level or India at the international level.
- c. **Contributions to political parties:** Any amount, whether directly or indirectly, contributed to political parties, as outlined under Section 182 of the Companies Act, will not be considered as CSR.
- d. **Normal course of business activities:** Activities that are part of the Company's normal business operations or are done as part of the Company's commercial objectives are not eligible for CSR classification.
- e. **Sponsorships for marketing benefits:** Activities supported by the Company for sponsorship purposes aimed at deriving marketing or promotional benefits for its products or services do not qualify as CSR initiatives.
- f. **Statutory obligations:** Activities undertaken by the Company solely to fulfill its legal or regulatory obligations under any other law in force in India will not be considered as CSR force in India.

These exclusions are in place to ensure that CSR activities focus on genuine social, environmental, or community benefits, and not on the Company's internal business interests or statutory requirements.

8. **MONITORING MECHANISM:**

The Company will monitor all CSR activities, projects, and programs through the following mechanisms:

- a. **Periodic reporting by the responsible team:** If a working committee or team is formed for CSR activities, they will provide periodic reports on the progress and status of the projects and programs.
- b. **Periodic review of progress:** The progress of CSR projects or programs will be reviewed periodically to ensure alignment with the objectives and timelines established in the CSR plan.
- c. **Site visits:** If required, the Company may conduct visits to the locations or sites of the projects or programs to assess the implementation and impact on the ground.
- d. **Achievement tracking:** A comparison will be made between the achievements since the last progress report, including the coverage achieved compared to the set targets. Any variance will be analyzed, and reasons for the discrepancies will be documented.
- e. **Financial tracking:** The actual year-to-date spending will be compared with the allocated budget. Any variances will be analyzed, and the reasons for the differences will be reviewed to ensure efficient use of resources.

These mechanisms ensure that CSR activities are closely monitored and managed, with a focus on accountability, transparency, and the effective achievement of CSR objectives.

9. REPORTS:

The Chief Financial Officer (CFO), or the individual responsible for overseeing the Finance function within the Company, shall report to the Board at the end of each financial year on the disbursement and utilization of funds allocated for various CSR projects or programs. This report will confirm that the funds have been used for the purposes and in the manner as approved by the Board, ensuring full alignment with the Company's CSR objectives. The CFO will also provide a detailed account of the financial flow, ensuring transparency and accountability. The report will highlight any deviations or adjustments, along with explanations, if applicable, to ensure that the funds have been spent efficiently and effectively.

10. PUBLICATION OF CSR POLICY & PROGRAMS:

As per the CSR Rules, the details of the CSR Policy shall be included in the Directors' Report, ensuring transparency and providing stakeholders with clear information regarding the Company's CSR initiatives. Additionally, the CSR Policy will be made publicly available by being displayed on the Company's website, if any. This will allow interested parties, including employees, investors, and the broader community, to access and review the Company's commitment to social responsibility and its planned CSR activities.

11. POLICY REVIEW & FUTURE AMENDMENT:

The Company shall periodically review its CSR Policy to ensure that it remains relevant and aligned with evolving legal requirements, societal needs, and the Company's strategic objectives. Based on this review, the necessary adjustments or updates will be made to the policy to enhance its effectiveness and impact. This process ensures that the CSR initiatives continue to reflect the Company's commitment to social responsibility and meet the expectations of stakeholders while remaining compliant with applicable regulations.