CRYSTAL POLICY FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

A. PREAMBLE

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Industry & Business Organizations have realized that Government (National or State) alone will not be able to get success in its endeavour to uplift the downtrodden of Society and it would need them to continuously provide support to the Government in all possible manner.

Crystal, being a responsible Corporate Citizen, recognizes that it has a moral responsibility, to contribute its share towards upliftment of the downtrodden by engaging itself with community developmental activities and has adopted CSR as a strategic tool for sustainable growth. For Crystal in the present context, CSR means not only investment of funds for Social Activity but also integration of Business processes with Social processes.

Even much before the issue of CSR became a part of the new Companies Act 2013, Crystal was aware of its Corporate Social Responsibility as a dutiful citizen and was fulfilling the aspiration of the society through the following way;

- relief & rehabilitation of victims of flood (Andhra Pradesh 2009),
- education of children belonging to EWS (monetary donation through Mohan Charitable Education Society),
- animal welfare (through Gopal Gau Sadan),
- partnering blood donation (through Lions Club),
- initiating & organizing painting competition for differently abled children (in alliance with an NGO-Deepalya), “Jai Kisan”,
- an initiative marking the birth anniversaries of Late Shri. Mahatma Gandhi & Shri. Lal Bahadur Shastri - organizing farmer education cum training for safe and judicious use of agro-chemicals,
- Belaku- a community development initiative to reach out to 300 plus women farmers (in association with an NGO- Concern India).

This has resulted not only achieving a harmonious relationship between Crystal and the communities but also a sense of pride and enjoyment in contributing towards nation building.

B. OPERATIONAL AREAS OF CSR ACTIVITIES

Crystal and its subsidiary/associate companies have its manufacturing units, corporate/registered office, depots branch/zonal offices (“Company Operation Areas”) located in multiple locations of the country. The Business of agrochemicals has found profound impact on the farmer community at large specially living in rural areas and smaller towns. Hence, the primary & immediate beneficiaries of CSR policy of the Company should be the poor, needy farmers and other section of the community/society especially from the areas surrounding & near to the Company Operation Areas.

In the aforesaid backdrop, policy on Corporate Social Responsibility of Crystal is broadly framed taking into account of the following measures: -
a) Welfare measures for the community/society initially surrounding its Company Operation Areas so as to ensure the poorer section of the Society derive the maximum benefits and subsequently for extending the same in the state and then in nearby states etc.

C. OBJECTIVE

- The main objective of CSR policy is to lay down guidelines for Crystal to make CSR a key business process for sustainable development of the Society.
- Crystal aims to engage deeply with the rural India and farming community to ensure they are on the path of sustained progress and development.
- To work closely with the rural India population for understanding their social upliftment barriers.
- It aims at supplementing the role of the Govt. in enhancing welfare measures of the Community/Society based on the immediate and long term social goals.
- Crystal will act as a good Corporate Citizen and would contribute continuously through its engagement in CSR activities for the economic development of India.
- Invest minimum 2% of the average net profits of the Company made during the three immediate financial years or such other limits prescribed under the law time to time, for addressing the above concerns.

To attain its CSR objectives in a professional and integrated manner, the company shall initially concentrate on the following areas of development:

i) Education & upliftment of the economically weaker section of the population and the farmer community in India.

ii) Water Supply including drinking water.

iii) Health care

iv) Sustainable development of the environment

v) Sports and culture.

vi) Generation of employment & setting up Co-operative Society.

vii) Infrastructure Support

viii) Others
a. Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society/locality doing/involving in upliftment of the standard of the society.

b. Upkeep of any Heritage sites near to its units or in the state where it operates.

c. Empowerment of women for education/health & self-employment

d. Relief of victims and Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation in any part of the country.

e. Assistance through financial aid for Disaster Management Activities

f. Adoption of village for carrying out the activities like infrastructural development e.g. Road, water supply, electricity and community center etc.

g. Sanitation, installation/providing of/construction of Toilets/Latrine (separately for men/women) in schools, villages or public places in collaboration with the concerned authorities or independently as agreed upon

The above list is illustrative and not exhaustive.

The CSR Committee shall be authorized to consider CSR activities not falling in this list, but however falling under the Schedule VII of the Companies Act 2013 as amended time to time. The activities will be specific to the village depending on the need assessed for the people. All activities done under the CSR should be environment friendly and socially acceptable to the local people and Community/Society.

(i) **EDUCATION & UPLIFTMENT OF THE ECONOMICALLY WEAKER SECTION OF THE POPULATION AND THE FARMER COMMUNITY IN INDIA.**

- Farmer education.
- Promotion of education including special education and employment enhancing vocational skills especially amongst children, women, elderly and differently abled and livelihood enhancement projects.
- Building/constructing Primary/ Higher Secondary schools.
- Taking over of the management of the existing Schools.
- Providing financial assistance to needy children from poor families in Primary, Middle and Higher Secondary Schools.
- Providing/conducting adult literacy programs especially amongst those belonging to people from Below Poverty Line.
- Awareness programs on girl education.
• Counselling, making aware, improving the decision making abilities of poor, illiterates whether skilled, semi-skilled or un-skilled workers/farmers etc.

• Educating, strengthening and collaborating the products manufactured by the poor, illiterates whether skilled, semi-skilled or un-skilled workers/farmers etc. with various development agencies (government/private), co-operative societies.

• Counselling of parents of poor or BPL families.

• Special attention on providing education, training and rehabilitation of mentally & physically challenged children/persons.

• Spreading legal awareness through campaign, literatures of other means amongst people and disadvantageous sections of the Community/society about their rights & remedies available.

• Promotion of Professional Education by setting up educational institutions offering courses in Engineering, Nursing, Management, Medicine and in Technical subjects etc.

• Seeking for reservation of seats or sponsoring of needy children from Crystal workers / employees of factory level or from BPL families.

• Provide fees for a period of one year or more to the poor and meritorious, preferably girl students of the school/college in the Operational Areas of the Company to enable them to get uninterrupted education.

• Provide cycle to needy girl students from BPL families who are attending school in remote and distant areas.

• Provide crutches or child care centers for children whose both parents are either working in Crystal units or otherwise.

• Engaging a reputable NGO/NGO’s or other reputable organisations to do the above partially or otherwise

(ii) WATER SUPPLY INCLUDING DRINKING WATER:

• Providing portable drinking water to all needy in the Operational Areas.

• Installation/ Repair of Hand Pumps/ Tube Wells.

• Digging/Renovation of Wells and closure of un-used wells or dug-up wells for safety purpose.

• Gainful utilization of waste water from Under-ground Mines for cultivation or any other purpose.

• Development/ construction of Water Tank/Ponds/manmade lakes/canals for irrigational and other purposes.

• Encouraging and constructing Rain water-harvesting schemes in the Operational Areas.

• Formation of a Task Force of Volunteers to educate people regarding proper use of drinking water.

• Empowerment to the villagers for maintenance of the above facilities for availability of water with time to time supervision & guidance.

• Engaging a reputable NGO/NGO’s or other reputable organisations to do the above partially or otherwise.
(iii) HEALTH CARE

- Construction of Hospital/Dispensaries/ health care centres
- Assisting the government health care workers in eradicating AIDS, TB and Leprosy.
- Assisting the government health care workers in eradicating Social evils like alcohol, smoking, drug abuse etc.
- Assisting the government health care workers and promoting, supporting Child and Mother care.
- Assisting the government health care workers and supporting, promoting, encouraging better Diet care and Nutrition.
- Organizing Blood donation camps and encouraging/making awareness of blood donations.
- Organizing Diabetics detection & Hypertension Camps.
- Organizing camps on Family Welfare/Senior Citizen Health Care Wellness Clinics.
- Providing fully equipped Mobile Medical Vans to Government hospitals/charity hospitals or running its own for the needy/poorer sections of the public/BPL families.

- Establishing Tele medicine centres in collaboration with existing hospitals.
- Engaging a Healthcare organization or Hospital or a reputable NGO/NGO’s or other reputable organisations to do the above partially or otherwise

(iv) SUSTAINABLE DEVELOPMENT OF THE ENVIRONMENT

- Organizing sensitizing programs on Environment Management, ecological balance and Pollution Control.
- Green belt Development in and around the Operational Areas, by planting/maintaining trees.
- Encouraging Afforestation, Social Forestry, Check Dams, Park.
- Protection of flora and fauna, agroforestry, conservation of natural resources & maintaining quality of soil, air and water.
- Encouraging farming on barren land and providing necessary assistance to make it fertile. Restoration of mined out lands.
- Development of jobs related to agro product i.e., Dairy/Poultry/farming and others.
- Plantation of saplings producing fruit.
- Encourage using of biogases, development of smokeless fuel out of coal and also arrangement for distribution of efficient Chula to the villagers.
- Encouraging animal care by constructing/developing shelters.
- Engaging a reputable NGO/NGO’s or other reputable organizations to do the above partially or otherwise
(v) **SPORTS AND CULTURE**

- Construction of stadiums/sports facilities for public usage.
- Promotion of Sports and Cultural Activities for participation in State and National level.
- Promotion/Development of sports activities in nearby villages by conducting tournaments like Football, Kabaddi and Khokho etc.
- Providing sports materials viz. Football, Volleyball, Hockey sticks etc. to the young and talented villagers.
- Promotion of National level teams. Sponsorship of National/State Sports events in the state where the manufacturing units are located.
- Sponsoring or providing financial assistance to engage a coach for the needy sports person.
- Sponsorship of sports person to participate/compete in domestic/international competition representing India or otherwise.
- Sponsoring Sports persons for training events in India or abroad under Indian or foreign coaches or sports institutions.
- Sponsorship of Cultural event to restore Indian Cultural Traditions and Values.
- Possibility of providing facilities for physically handicapped persons may be explored.
- Guide lines to be followed to promote sports activities by way of granting financial assistance/donation/sponsorship etc.

Registered Clubs/Institutions which promote Sports activities may be granted financial assistance/donations/sponsorship based on the following norms:-

- Sports talent development programme by Clubs/Institutions may be encouraged provided the proposal is routed through the respective Block Development Office/Sub Divisional Office/District Office/State Associations/ local people representatives i.e. Panchayat, Pradhan/Mukhiya/MLA/MP/ Minister etc., to ascertain bonafide objective, status of activities and contribution to the society.

- While sanctioning financial assistance/donation/sponsorship for State/National/International events, Crystal /Subsidiary Companies could send its representatives to ensure proper utilization of fund for the specific purpose, as well as, to ensure publicity/coverage for corporate image building.

- While sanctioning financial assistance /donation/ sponsorship for encouraging talent search & nurturing by Club & Institution, CIL/Subsidiary Companies would also ensure participation of its employees and their wards to avail benefits.

- As per Crystal Policy for payment of financial assistance/donation/ sponsorship Registered Clubs/Institution will furnish details as required by Crystal /Subsidiary Companies i.e. their Registration, PAN No. etc. to establish their authenticity.
(vi) **GENERATION OF EMPLOYMENT & SETTING UP CO-OPERATIVE SOCIETY.**

- Employment facilities should be provided to the community people especially to the backward section by providing education and training thereby developing their skill for suitable Employment.
- Opportunities for self-employment should be provided by encouraging traditional craftsmanship/ handicrafts skills and making them display at mandi/shops/ Shopping Complex in and around the Operational Areas and helping them to market/sell their products on no profit & no loss basis.
- Encouraging Co-operative Societies should be formed by active participation of local people for setting up Dairies, Poultries and Piggery etc. which will also help to generate self-employment.
- Self /Gainful Employment Opportunities – Training of Rural Youth for Self-Employment (TRYSEM) on Welding, Fabrication, and other Electronic appliances.
- To provide assistance to villagers having small patch of land to develop mushroom farming, medicinal plants, farming & other cash crops to make them economically dependent on their available land resources.
- Training may be provided by agricultural experts for above farming.
- Organizing training programmes for women on tailoring Embroidery designs, Home Foods/Fast Foods, Pickles, Painting and Interior Decoration and other Vocational Courses.
- Empowerment of women for education/health & self-employment.
- Engaging a reputable NGO/NGO's or other reputable organisations to do the above partially or otherwise

(vii) **INFRASTRUCTURE SUPPORT – CONSTRUCTION, REPAIR, EXTENSION ETC.**

- Building constructing Auditorium, Educational Institutions, Rural Dispensaries, Mobile Crèches, Bridges, Culverts & Roads, Check Dam, Community Centre, sponsoring a Sulabh Souchalaya, toilets, Yatri Shed in Bus Stand, Crematorium, day care centres, Development of Park, Playground/Sports complex, Old Age Home, night shelters, makeshift homes/shelters for natural disaster victims and such other measures for reducing inequalities faced by socially and economically backward groups.
- To develop infrastructural facilities for providing electricity through Solar Lights or alternative renewal energy to the nearby villages. Recurring expenditure should be borne by the beneficiaries.
- Adoption/construction of Hostels for women & orphans (especially those for SC/ST & girls)
- Upkeep of heritage sites near to Operational Areas or any such other site/s that may be requested by the state/central government
(VIII) OTHERS  (The below list is illustrative and not exhaustive).

• Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society/locality doing/involving in upliftment of the standard of the society.
• Upkeep of any Heritage sites near to Operational Areas or any such other site/s that may be requested by the state/central government.
• Empowerment of women for education/health & self-employment.
• Relief of victims and Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation in any part of the country.
• Eradicating hunger, poverty and malnutrition
• Promotion of gender equality, empowerment of women.
• Assistance through financial aid for Disaster Management Activities.
• Adoption of village for carrying out the activities like infrastructural development e.g. Road, water supply, electricity and community center etc.
• Sanitation, installation/providing of/construction of Toilets/Latrine (separately for men/women) in schools, villages or public places in collaboration with the concerned authorities or independently as agreed upon.
• Protection of art & culture including restoration of buildings and sites of historical importance and works of art.
• Setting up of public libraries, promotion and development of traditional arts and handicrafts.
• Measures for the benefits of armed forces veterans, war widows, and their dependents.
• Contributions to Prime Ministers National Relief Fund or any other funds set up the Central government, for socio economic development and relief and welfare of the Scheduled castes, Scheduled Tribes, other backward classes, minorities and women.
• Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
• Rural development projects.
• Such other activities as may fall under the Schedule VII of the Companies Act 2013 amended time to time and activities so announced by the Government of India time to time as CSR activities, which may not be covered above.

D. IMPLEMENTATION:

a) The investment in CSR should be project based and for every project time framed periodic milestones should be finalized at the outset.

b) Project activities identified under CSR are to be implemented by the CSR Committee directly or indirectly through with any or combined with the following multiple Specialized Agencies:

✓ Registered Trusts
✓ Registered society
✓ A company established by the company
✓ Holding company
✓ Subsidiary company
Associate company

Specialized Agencies like:
   i) Community based organization whether formal or informal,
   ii) Elected local bodies such as Panchayats,
   iii) Voluntary Agencies (NGOs),
   iv) Institutes/Academic Organizations,
   v) Trusts, Mission etc.
   vi) Self-help groups,
   vii) Government, Semi Government and autonomous Organizations,
   viii) Standing Conference of Public Enterprises (SCOPE),
   ix) Mahila Mandals/Samitis and the like,
   x) Contracted agencies for civil works,
   xi) Professional Consultancy Organization etc.

(Specialized Agencies could be made to work singly or in tandem with other agencies).

c) Endeavour to extend the coverage to all poor and needy Section of the Community/Society not only in and around its Operational Areas but gradually & subsequently extend to those living in other parts of India.

d) Other activities of the CSR Committee will also involve the following:

   1) Interact with the concerned State Officials/Govt. officials to confirm the areas for undertaking activities under CSR and ensure to avoid duplicity of the job.
   2) To decide the priority of the activities to be undertaken under CSR.
   3) To interact with the CSR Implementing agencies for determining the activities to be undertaken.
   4) The Committee will monitor and review the progress of activities undertaken/completed.

The Board of Directors of the Company at its Board meeting held on 22nd August 2014, have formed a CSR Committee with following Directors:

   a) Mr. Nand Kishore Aggarwal- Director & Chairman
   b) Mr. Jogender Singh- Independent Director
   c) Mr. Sharad Venkta-Executive Director (Business Development & Strategy)

The Company Secretary or such other senior official of the Company shall be the Secretary of the Committee.
E. MONITORING

a) CSR committee shall approach the Board of Directors of the Company with its recommendation of the project/s it wishes to commence and the complete details/project report and the expenditure to be incurred on such project/s in each financial year.

b) The CSR Committee shall at such intervals as may be advised by the Board to inform the activities and review of the implementation of CSR.

c) Crystal as well as subsidiaries/associates shall include a separate/chapter in the Annual Report of the Company on the implementation of CSR activities/project including the facts relating to physical and financial progress.

d) Cost benefit and justification includes the amount of financial involvement, detailed project Report for which Project Appraisal have to be carried out by an independent & External Agencies/Third party Agency duly approved by the CSR Committee.

d) Utilization Certificate with statement of expenditure duly certified by an Authorized Audit or will be submitted by the Specialized Agencies to whom CSR fund is allocated.

F. SOURCE OF FUND

CSR committee shall time to time spend the funds allocated against CSR being the maximum 2% of the average net profits of the Company made during the three immediate financial years or such other limits prescribed under the law time to time.

Out of total CSR Budget, the Committee would allocate separate budget for each and every project taken up in a financial year. The CSR project should be fixed for each financial year, however, the incomplete project can be extended or carried on in the next financial year. This funding will not lapse even if the project crosses over to the next financial year.

G. BASE LINE SURVEY & DOCUMENTATION

(a) The CSR activities where Community Development Programme is involved, base line survey may be carried out and cost benefit has to be seen in the proposed scheme through the above survey.

(b) However, cost benefit and justification for any project has to be ascertained.

c) Meticulous documentation relating to CSR approaches policies, programs, expenditures, procurement etc. should be prepared and put in the public domain and made available in the Company’s website and also at such website as may be required under the law.

H. UPKEEP AND MAINTENANCE OF ASSETS CREATED:

Maintenance of assets created under CSR and if handed over to the concerned State Government would be the responsibility of the concerned State Government and local representative of the Society, unless otherwise agreed upon with the Company. Before any capital investment is made for the benefit a particular underprivileged community, an undertaking would be taken from the representatives of that community that they would be responsible for maintenance of the asset.
I. REFLECTION OF CSR ACTIVITIES

Annual audit of all activities undertaken by the Company would be done by authorized auditor. The CSR activities will be reflected in the Director’s Report of the Annual Report of Crystal and shall be in line with the requirement of the Companies Act 2013.

The CSR Committee constituted will inspect all sites and reflect the same to the Board of Directors, time to time, for their information and record.

K. CONCLUSION

The above guidelines would form the broad framework around which the CSR activities of Crystal would be undertaken.

Board of Directors or the CSR Committee will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may deem necessary.

*****