

POLICY
ON
CORPORATE SOCIAL RESPONSIBILITY
OF
PARAS DYES & CHEMICALS PRIVATE LIMITED



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PARAS DYES & CHEMICALS PRIVATE LIMITED

(CIN: U24100DL2010PTC207172)

Regd. Office: B-82, Defence Colony, Delhi-110024, India,

CORPORATE SOCIAL RESPONSIBILITY POLICY

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. PREAMBLE:

At Paras Dyes & Chemicals Private Limited ("Paras" or "the Company"), we are committed to the group's vision of creating a more inclusive and greener India. Paras fosters a culture of caring, trust and continuous learning while meeting the expectations of all stakeholders and society at large. As a responsible Corporate Citizen, the Company contributes towards inclusive growth by empowering communities and accelerating development.

The Company's CSR Policy framework details the mechanisms for undertaking various programs in accordance with section 135 of the Companies Act 2013 for the benefit of the community.

As per the provisions of Section 135 of the Companies Act read with applicable rules thereto, the Company is required to have a Corporate Social Responsibility Policy. This Policy has been formulated by Corporate Social Responsibility Committee (CSR) and has been approved by the Board of Directors of the Company at their meeting held on 27th October, 2022.

2. Scope and Implementation of CSR :

The Company shall implement the CSR activities / programs in accordance with Section 135 of Companies Act 2013 and notified rules. All CSR projects/activities will be over and above the normal course of the Company's business and will be implemented through the Company personnel or the Company's group entities or external implementing agencies/ specialized NGOs/Trust as permissible under the applicable provisions of the Companies Act, 2013

3. Definitions:

- a) "Act" means Companies Act, 2013, as amended from time to time.
- b) "Board" means Board of Directors of the Company.
- c) "Company" means Paras Dyes & Chemicals Private Limited.
- d) "Committee" means Corporate Social Responsibility (CSR) Committee of the Board.
- e) "CSR Activities" means projects/ programs/activities to be undertaken by the Company in India, pursuant to Section 135 and Schedule VII to the Act read with applicable rules (as amended).
- f) "Policy" means Corporate Social Responsibility (CSR) Policy of the Company which relates to the activities to be undertaken by the Company pursuant to Section 135 and Schedule VII to the Act and matters incidental thereto.
- g) "Net Profit" means Net Profit as defined in the Act and rules made thereunder.



- h) **“Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
- i) **“Trust”** means and includes Trust, formed by the Company exclusively for CSR activities as per the Companies Act, 2013.

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and the rules made thereunder.

4. Vision/Scope & Objectives:

The CSR vision will be in sync with the Company objectives & the Core Values of **“Empowering and Environment Sustainability”**.

Scope: The Policy Extends itself to work done in the areas of:

- 1) Education including sponsoring education of Children in need either independently or through School(s) run by the Company;
- 2) Promoting health care including preventive health care
- 3) Community Service;
- 4) Environment Sustainability and Animal welfare;
- 5) Hunger, Malnutrition, Poverty alleviation and Healthcare;
- 6) Gender Equality and Empowerment of Women.

Objective:

The Company recognizes that business enterprises are economic organs of society and draw on societal resources, it is Company's belief that a company's performance must be measured by its contribution to building economic, social and environmental capital towards enhancing societal sustainability. The Company shall implement its CSR activities to integrate economic, environmental and social objectives with its operations and growth for common good. The Company is committed towards making visible and tangible contribution to communities and environment.

The Company shall identify projects/ programs/activities both in urban/rural areas that will improve quality of life & lead to sustainable project implementation.

The Broad objective of this CSR Policy is to:

- a) strive for economic development that positively impacts the society at large with minimal resource footprint;
- b) embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society;
- c) elucidate and inform to all stakeholders about the Company's CSR Policy;



- d) demonstrate commitment through common good, responsible business practices and good governance;
- e) actively support the country's development agenda to ensure sustainable change;
- f) set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models; and
- g) Engender a sense of empathy and equity among employees of the Company to motivate them to give back to the society.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

A. COMPOSITION:

A Corporate Social Responsibility Committee ("the CSR Committee") has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The Committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee. Description of the committee is as follows:

- a) The Committee shall be comprised of two (2) Directors.
- b) Membership of the Committee shall be disclosed in the Annual Report.
- c) Term of the Committee shall be continued unless terminated/modified by the Board of Directors.
- d) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
- e) The Board may reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- f) Independent Committees may be constituted at the Unit Levels for CSR which will work in conjunction with the core CSR Committee of the Company

B. FREQUENCY OF MEETINGS:

The meeting of the Committee shall be held every quarter to review projects & proposals. All Committee members to remain present unless leave of absence is sought for the meetings & minutes to be circulated.

6. TERMS OF REFERENCE OF THE COMMITTEE:

The CSR Committee shall be responsible for the following:



- (i) To formulate, recommend and modify/alter whenever necessary, Corporate Social Responsibility Policy which shall indicate the projects/programs/activities to be undertaken by the Company as specified in Schedule VII to the Act;
- (ii) Recommend the amount of expenditure to be incurred on the projects/ programs/ activities referred to in clause (i) above;
- (iii) Institutionalize transparent monitoring mechanism for ensuring implementation of the CSR projects/ programmes/ activities; and
- (iv) Any other activity (ies)/ functions, as may be assigned by the Board.

7. CSR ALLOCATION:

CSR allocation for a financial year shall include-

- a) At least 2% of the average Net Profits of the Company for the last three financial years;
- b) Any income arising therefrom;
- c) Surplus arising out of CSR activities; and
- d) Any contribution specifically received for CSR activities. Further, it is clarified that any surplus arising out of CSR activities shall not form part of the business profits of the Company and will be ploughed back into the CSR activities.

8. CSR BUDGET:

The overall amount to be committed towards CSR will be approved by the Board upon the recommendation of the CSR Committee. All the administrative approvals within the budgetary provisions of CSR will be pass through a tripartite maker-checker approval process. Any proposed expenditure towards CSR beyond the budget shall be specifically approved by the Chairman-cum-Managing Director of the Company on behalf of CSR committee, which will subsequently be ratified/approved by the Board.

In case any portion of the fund remains unutilized, a note giving detailed explanation of the same will have to be made to the Committee and the Board shall specify the reasons for the same in its report to the shareholders in terms of Section 134(3)(o) of the Act. Further necessary action will be taken for utilization of such unspent sum in accordance with the provisions of the Act and CSR Rules.

9. CSR ACTIVITIES/PROGRAMMES/PROJECTS:

The CSR Activities as approved by CSR Committee shall be undertaken by the Company itself and/or primarily through Trust or registered society or a Company established by the Company or its holding or subsidiary or associate company under Section 8 of the Act or through such other entity/organization as approved by the CSR Committee/ Board.

In the event, the Company implements its CSR Activities through any other trust(s), society (ies) or company (ies) that is not established by the Company or its holding or subsidiary or associate company, such trust(s), society (ies) or company (ies) shall have an established track record of three years in undertaking similar programmes or projects and the Company will clearly specify:



- the projects or programmes to be undertaken through these entities;
- the modalities of utilization of funds on such projects and programs; and
- the monitoring and reporting mechanism.

In order to implement the approved CSR Activities, the Company may involve specialized agencies, which may include Government/non-Government, Semi-government/autonomous organizations, educational institutions, professional consultancy organizations, registered voluntary organizations or any other appropriate agency/ authority.

The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the Act and the rules.

The Company will undertake projects and programs relating to activities mentioned in Schedule VII to the Companies Act, 2013 as per Annexure-I.

The CSR Committee will be empowered to include other projects/ programs/ activities or any social development initiative as may be approved by the CSR Committee/ Board which are in consonance with the Act read with Schedule VII to the Act.

Activities not covered under CSR:

In terms of CSR Rules read with General Circular No. 21/2014 dated 18th June, 2014 of Ministry of Corporate Affairs (MCA) expenditure incurred on following activities would not be qualified as part of CSR expenditure:

- (i) Events such as marathons/ awards/ advertisement/ sponsorships of TV programmes etc.;
- (ii) Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.);
- (iii) Contributions of any amount, whether directly or indirectly, to any political party or any person associated with a political party;
- (iv) Amount spent, whether directly or indirectly, for the benefit of employees of the Company, its Subsidiaries and Associates and their families;
- (v) Activities undertaken in pursuance of normal course of business of the Company;
- (vi) Expenditure on item/s not in conformity with Schedule VII of the Act/ Rules as amended or modified, from time to time.

It was further clarified that CSR activities should be undertaken by the companies in project/ programme mode.



10. CAPACITY BUILDING:

The Company may build CSR capacity of its own personnel as well as those of their implementing agencies by providing suitable training through institutions with established track record of at least three financial years but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

11. MONITORING MECHANISM:

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the CSR activities proposed to be undertaken by the Company.

The CSR Committee will ensure that the CSR activities are undertaken in compliance with this CSR Policy, Act and in accordance with the approved budget and in a project or program mode with clearly defined project deliverables, implementation schedules, processes and budgets.

The CSR Committee may form an internal monitoring group or nominate any member of the Committee or any department or any officer/ employee of the Company for effective and transparent implementation and monitoring of the CSR projects and programs.

Internal Monitoring Group may consist of minimum 3 members including CSR Head/ Official responsible for monitoring/ supervising CSR Projects/ Programs.

The CSR Head/ Official responsible for implementation of CSR activities will monitor every programme closely & ensure that the projects are executed within the prescribed timelines. A completion report will be prepared after executing the projects & after physical verification and will be reported to the Board through the CSR Committee. Audit firm(s)/ Independent Agency(ies) could be engaged for the purpose of preparing & monitoring CSR projects.

Discontinuation of CSR projects:

The CSR Head/ Official responsible for implementation of CSR activities has the right to discontinue a project in case the project has deviated from the Company Vision & Scope or appropriate paper work is not being executed by NOG's/Govt/Semi Govt bodies or any reason that goes against the Company Values & Ethics.

12. RESPONSIBILITY:

The responsibility for compliance with this policy lies with the CSR Committee, Board of Directors and other person nominated by the CSR Committee for implementation of the program or projects.

A responsibility statement shall be issued by the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company, at the end of each financial year.



13. DISCLOSURES:

The CSR Committee shall prepare an Annual Report on CSR, in the format prescribed under the Act (enclosed as Annexure-II) and the relevant rules and such report shall be included in the Board's Report. The Report shall be signed by following persons:

- a) Chairman of CSR Committee;
- b) Managing Director or Chief Executive Director or Director of the Company; and
- c) Such other person as may be prescribed.

The Company shall display the contents of the CSR Policy and other related information on its website.

14. REVIEW OF POLICY:

The CSR Policy will be reviewed on yearly basis or as may be recommended by the CSR Committee.

15. AMENDMENTS:

Any or all provisions of the CSR Policy would be subject to revision/amendment by the Board of Directors based on the recommendations of the CSR Committee or in accordance with the guidelines on the subject, as may be issued, from time to time.

Where the CSR Policy is in variance with the requirements of the Act and/or rules made thereunder, the provisions of the Act and/or rules shall prevail.

16. GENERAL:

In case of any doubt with regard to any provision of the CSR Policy and also in respect of matters not covered herein, a reference to be made to the CSR Committee or to the Chairman of the CSR Committee. In all such matters, the interpretation and decision of the Chairman of the CSR Committee shall be final.

Encl.: Annexure-I, II & III



ANNEXURE-I
(Section 135 of the Companies Act, 2013)

Activities which may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:

- I. 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;
- II. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the 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 (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga);
- V. 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;
- VI. 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];
- VII. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- VIII. 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 Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women;
- IX. (a) 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; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of



Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

X. Rural development projects.

XI. Slum area development.

Explanation: for the purpose of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

XII. Disaster management, including relief, rehabilitation and reconstruction activities.



ANNEXURE-II

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR Policy of the Company.
2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
Total			

6. Average net profit of the company as per section 135(5).
7. (a) Two percent of average net profit of the company as per section 135(5)
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
 (c) Amount required to be set off for the financial year, if any
 (d) Total CSR obligation for the financial year (7a+7b-7c).
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.



(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				State	District						Name	CSR Registration number.
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				State	District			Name	CSR registration number.
1.									
2.									
3.									
	Total								

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	



(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).



(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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ANNEXURE-III

Aspects to be considered while engaging with other entities:

1. Due diligence of the implementing agency would be conducted to check the credentials of the organization. The following information from the interested implementing agencies would be sought, as relevant:
 - a) Memorandum & Article of Association/ Trust Deed/ Bye Laws/ Constitution;
 - b) Registration Certificate;
 - c) Pan Card;
 - d) CSR ID received from Ministry of Corporate Affairs;
 - e) Registration Certificate under Section 12A of Income Tax Act, 1961;
 - f) IT Exemption Certificate under Section 80G; (Lifetime validity);
 - g) IT Exemption Certificate under Section 35(i), if available;
 - h) Audited Accounts of last three years;
 - i) Acknowledgement of Income Tax Return along with IT Return filed (last three years);
 - j) FCRA Certificate (if any) and latest copy of FCRA Return FC-3, if available;
 - k) Description of the project.
2. Ensure that the project/ programme is consistent with list of activities in Schedule VII.
3. The Representatives of the Company may visit and/or meet the representatives of the implementing agency to assess the organization.
4. Quarterly reporting on the progress in implementation of the projects/ programmes and utilization of the amounts.
5. To obtain end use/ utilization certificate from the implementing agency.
6. Reserving the rights, to be exercised at its sole discretion, of stopping the funding at any stage of the project, if the program is not being implemented as per program objectives and goals.

