



ISHAN DYES & CHEMICALS LIMITED

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'POLICY ON CORPORATE SOCIAL RESPONSIBILITY'

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY):

“Corporate Social Responsibility” (CSR) is a philosophy by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the Company’s operations and growth. CSR is the process by which an organization evolves its relationships with the society for the common good and also demonstrates its commitment by giving back to the society for the resources it has used.

In its endeavours to mutually achieve the said objective, the Act stipulates the provisions regarding mandatory adherence to the Corporate Social Responsibility practices by the prescribed companies.

1. CONTEXT:

Ishan Dyes & Chemicals Limited (**Ishan** or **‘the Company’**) has been an early adopter of Corporate Social Responsibility (**‘CSR’**) initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for achieving holistic business growth. We, at Ishan assumes our responsibilities towards society and committed to provide a dedicated approach to community development and also to fulfil our CSR commitments to works towards removing malnutrition, improving healthcare infrastructure, supporting primary education, rehabilitating abandoned women and children, and preserving Indian art and culture.

2. OBJECTIVES:

Ishan CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Community development by various activities in the areas of education, healthcare, sanitation, eradication of hunger, poverty, malnutrition, and other such activities of social causes.

3. DEFINITIONS:

(A) **Act:** The Act means Companies Act, 2013.

(B) **Corporate Social Responsibility:** It means Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013.

(C) **CSR Activity:** It means and includes but is not limited to:-

- (i) Projects or programmes relating to activities specified in Schedule VII to the Act;
- (ii) 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.

(D) **CSR Committee:** It means the CSR Committee of the Board of Directors formed under section 135 of the Act.

(E) **Net profit:** It shall mean the net profit as defined in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

(F) **Average Net profit:** It shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

4. **FOCUS AREAS:**

In accordance with the requirements under the Companies Act, 2013, Ishan CSR activities, amongst others, will focus on:

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- **EDUCATION:** Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.
- **RURAL DEVELOPMENT PROJECTS:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality and empowering women; setting up homes, hostels and day care centres for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- **NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts.

5. **LOCATION OF CSR EFFORTS:**

The CSR committee will decide on the locations for CSR activities.

6. **GOALS:**

At Ishan, the goal of CSR is to contribute for the upliftment and benefits of needy section of the community and also be responsible to the Society.

7. **COMPOSITION OF CSR COMMITTEE:**

The CSR Committee shall consist of the following directors:

- Mr. Piyush N. Patel, Chairman
- Mr. Roopin A. Patel, Member
- Mr. Mayankkumar H. Patel, Member

8. RESPONSIBILITIES OF THE COMMITTEE:

The responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors the CSR Policy together with activities to be undertaken in said connections,
- Recommending the amount of expenditure for the CSR activities, and
- Monitoring CSR activities from time to time.

9. BUDGET:

Annual spending on CSR Activities in any particular financial year shall be “2% of the average of the annual net profit of the preceding three financial years.”

The corpus of the CSR activity would include the following amounts:

- a) 2% of the average net profits,
- b) Any income arising there from, and
- c) Surplus arising out of CSR activities.

The surplus arising out of the CSR activity will not be part of business profits of the company.

10. GOVERNANCE:

The Company through a registered trust or a registered society can undertake CSR activities as per the provisions of the Companies Act, 2013.

11. COMPLIANCE, MONITORING AND REPORTING:

Compliance with this policy will be continuously monitored by the CSR Committee at its meeting(s), subject to annual review by the Board of Directors.

The Contents of this policy shall be disclosed in the Board report and placed on the Company’s website. Compliance will be reported to stakeholders through the Company’s Annual Report.

The Board shall ensure spending of allocated amount on CSR activities and report the status in its annual report, also specify the reasons of non spending of the allocated amount, if any.

The members of the CSR committee shall be appointed or removed by the Board of Directors by way of Resolution. The Chairman and Managing Director of the Company shall be the Chairman of the Committee and in his absence any other member of the CSR Committee shall preside over the meeting(s) of the CSR Committee. Company Secretary shall be the Secretary of the CSR Committee. The minutes of CSR committee meetings shall be placed before the Board meeting.

12. EFFECTIVE DATE:

This policy is effective from April 1, 2014.

13. CONTACT:

For queries related to the CSR Policy, please write to us at:

ishandyes@yahoo.com

**BY THE ORDER OF THE BOARD
FOR ISHAN DYES AND CHEMICALS LIMITED**

**SD/-
PIYUSHBHAI NATVARLAL PATEL
CHAIRMAN & MANAGING DIRECTOR**
