



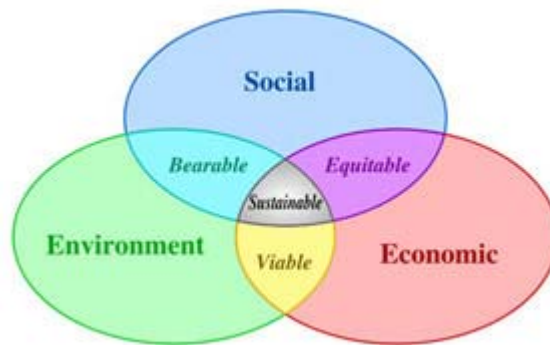
Ester Industries Ltd

Corporate Social Responsibility (CSR) Policy

Philosophy

Corporate Social Responsibility (CSR) is the continuing commitment by the business to contribute towards economic, environmental and social development (a Triple Bottom Line approach) in the vicinity of our facilities/operations with a view to improving the quality of life and fostering sustainable development of the communities as well as our workforce and their families.

Ester's CSR approach would be holistic and integrated with its business operations and core strategy. For it to get key management focus & involvement and make a meaningful contribution, CSR would need to be embedded in the Esterian DNA. This would help not only in fostering a “culture of giving” across the organization but entail strategic business benefits; e.g. communities providing the license to operate, risk management, enhancing corporate image & strengthened brand positioning and Increased ability to attract, motivate and retain employees.



CSR Policy

Statement of intent: Ester intends to pursue its CSR program in a structured manner, making this an integral part of the business to minimize risks and build reputation and competitive advantage, whilst pursuing initiatives covering the following platforms – community, environment, work place & market place. Through this structured approach, Ester intends to enhance involvement of employees in progressing its CSR program, whilst addressing the needs of various stakeholders.

CSR Activities

The company shall focus its CSR activities on the areas as prescribed under Schedule VII of the Companies Act, 2013 (as amended from time to time). Schedule VII of the Act has prescribed following areas of CSR activities –

- eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- 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;
- 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;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the 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.
- slum area development
Explanation.— For the purposes 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.

In case of any amendment under Schedule VII of the Companies Act, 2013, the same amendment shall be deemed to be effected in this CSR Policy also.

Geography Definition

The primary beneficiaries of Ester's CSR activities shall be communities and societies in the vicinity of our facilities/operations. However the underprivileged sections of the society living in different parts of India may be considered as per the recommendations of the CSR Committee.

Governance

Ester's CSR governance structure would be headed by a Board Level CSR committee constituted as below. The CSR committee would report to the Board of Directors and be responsible for preparing a detailed plan on CSR activities (including the expenditure), type of activities, roles and responsibilities of various stakeholders and a monitoring mechanism for such activities.

1. Mr. M S Ramachandran Chairman of the Committee
2. Mr. Ashok Newatia Member
3. Mr. Arvind Kumar Singhania Member
4. Mrs. Archana Singhania Member

The members of the Committee shall serve until such member resigns, retires or is removed from the Committee by the Board. The Board may fill any vacancy/ appoint additional member in the Committee by appointment from among the Directors of the Company.

Functions of the CSR Committee

- One-time processes such as developing the CSR strategy and operationalizing the institutional mechanism;
- To recommend the amount of expenditure to be incurred on each activity;
- To monitor the Corporate Social Responsibility Policy from time to time.
- If required, to identify and appoint any agency/consultant/entity for execution of Corporate Social programmes or projects of the Company;

Budget

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

The corpus for CSR activity would include the following amounts:

- Minimum 2% of the average net profits
- any income arising from CSR activities

The Board shall ensure spending of the allocated amount on CSR activities and report the status in its annual report. If the company fails to spend the above prescribed amount, reasons for the same would be specified in the annual report

Surpluses

Any surplus generated from CSR projects undertaken by us will be tracked and channelized back into our CSR corpus and this will be over and above the 2% figure. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

Meeting

The Committee shall meet at least 1 (one) time during any financial year to discuss and review, inter-alia, progress & implementation of identified CSR project and monitor the CSR policy.

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.