

FUJIFILM SERICOL INDIA PRIVATE LIMITED

Corporate Social Responsibility Policy

V1 Dated 02/02/2023

[Approved in the Board of Directors Meeting held on February 2nd, 2023]



Registered in India. CIN: U24223MH1996PTC097416

Factories at Plot Nos. 10/11 & 46/47/48, B. U. Bhandari Industrial Estate, Sanaswadi, Tal: Shirur, Dist: Pune 412 208, Maharashtra, India.



TERMS OF REFERENCE FOR THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Introduction

The Corporate Social Responsibility (“CSR”) Committee of the Company is constituted under the provision of Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Objective

- The objectives of the CSR policy are to promote socioeconomic development in rural areas, improve education, eradicate extreme hunger and poverty, promote gender equality and empower women, reduce child mortality and improve maternal health, health care, and sanitization, ensure environmental sustainability, employment enhancing vocational skills, social business projects, promoting and protecting natural heritage and culture and such other matters of the common good.
- Contribution to the prime Ministers National relief fund or any other fund set up by the Central Govt. or State Govt. for social economic development, relief and rehabilitation of persons affected by natural calamities, funds for the welfare of Schedule Caste and Schedule Tribes and other backward classes, minority, and women.
- Promotion and financing to eligible Trusts and Societies and to promote any other activities to be advised by the Govt. or approved by the Board from time to time.

Composition of CSR Committee

The CSR committee comprises the following members and such other employees or officers of the company as may be delegated by the Board of Directors from time to time.

The CSR committee consists of the following:

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|------------------------|---|--|
| a. Dr. M.P. Raghav Rao | - | Managing Director |
| b. Mr. Lasantha Peiris | - | Director Commercial |
| c. Mr. Atithi Majumdar | - | CFO |
| d. Dr. Jivan Bonde | - | DGM Sustainability Projects |
| e. Dr. Prajyakti Bakre | - | People & Organisation Development Manager. |
| f. Mr. Vilas Gaykar | - | DGM IT |
| g. Mr. Pravin Khaparde | - | AGM Finance & Accounts |

Statutory Provision for spending on CSR Activity

As per section 135 (1) of the Companies Act, 2013, every company has,

- Net worth of rupees five hundred crores or more, or
- Turnover of rupees one thousand crores or more or
- A net profit of rupees five crores or more

during any financial year shall spend, in every financial year, at least two percent (2%) of the average net profits of the company made during the three immediately preceding financial years.

Funding

- i. The Board of Directors of the Company upon completion of every financial year and after approval and adoption of annual accounts in the Board meeting, shall calculate the average net profits of the last three financial years in accordance with the provisions of Section 198 of the Companies Act, 2013.
- ii. If the Board is satisfied that the Company falls under the eligibility criteria as specified under Section 135 of the Companies Act, 2013 for spending the statutory amount on CSR activities, the Board shall make a CSR provision of 2 percent of its average net profit of the last three financial years.
- iii. The CSR committee shall endeavor to spend the stipulated funds for the prescribed activities within the time limit as per the provision of The Companies Act and CSR Rules.
- iv. The CSR activities and spending are statutory obligations as per the provision of section 135 of the Companies Act.

CSR Activity

The CSR committee may include the following activities:

- i. Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation including contributing 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, daycare centers, 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 the 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 art 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 govt. for socio-economic development and relief and welfare of the scheduled caste, tribes, other backward classes, minorities, and women;
- ix. 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
- x. 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).
- xi. rural development projects
- xii. disaster management, including relief, rehabilitation, and reconstruction activities.
- xiii. 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.

Guidelines for CSR Activities

- i. The CSR activities shall be undertaken by the company as per its stated CSR policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

- ii. The Board of a company may decide to undertake its CSR activities approved by the CSR committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013 or otherwise:

Provided that -

- (a) If such trust, society, or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;

- (b) The company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs, and the monitoring and reporting mechanism.

- iii. A 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 CSR rules, 2014.
- iv. Subject to provisions of sub-section (5) of section 135 of the Companies Act, 2013, the CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
- v. The CSR projects or programs or activities that benefit only the employee of the company and their families shall not be considered CSR activities in accordance with section 135 of the Companies Act, 2013.
- vi. The contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act, 2013 shall not be considered as CSR activity.

CSR Expenditure

- i. The CSR expenditure shall include all expenditures including contribution to the corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.
- ii. The surplus arising out of CSR projects or programs or activities shall not form part of the business profit of a company.

Treatment of Unspent, Excess, or Surplus CSR amount

Any unspent CSR funds remaining at the end of the financial year should be transferred in any of the following ways.

- Transfer to an Unspent CSR Account - Any unspent amount from an ongoing project should be transferred within 30 days of the end of the financial year, to the specifically designated Unspent Corporate Social Responsibility Account. This amount should be spent within the next three financial years, in accordance with the Company's CSR policy. If these amounts remain unspent even after the three-year period, then they should be transferred, within 30 days from the end of the financial year to any fund specified in Schedule VII of the Act.
- Transfer to Schedule VII fund - If the funds are unallocated to any CSR Projects, then such unspent amount shall be transferred, within six months of the end of the financial year, to any fund specified in Schedule VII of the Act.
- If any surplus arises out of the CSR activities, it must be spent on the same project or transferred to the unspent CSR account or transferred to the funds specified in Schedule VII of the Act.
- If a company has spent an amount more than the mandatory 2% on CSR, the company can set off such excess amounts against the CSR spent in the next three financial years. The Board of Directors needs to pass a resolution for this.

Annual Action Plan on CSR Activities

As prescribed under CSR Rules, at the beginning of every financial year, CSR Committee shall prepare a detailed Annual Action Plan on CSR activities, for the financial year, for the approval of the Board. On approval of the Board of Directors, the CSR Committee and the management shall implement the CSR activity for the given financial year. It shall contain detailed information on the following:

- List of CSR projects that are to be undertaken for the financial year
- Manner of execution of these CSR projects
- Modalities of the utilization of funds
- Implementation Schedules for all CSR projects
- Monitoring and reporting mechanism for all CSR projects

Meeting of CSR Committee

- i. The CSR Committee may meet at least two times in a year and not more than six months shall elapse between two meetings.
- ii. The quorum shall be either two members or one-third of the members of the CSR committee whichever is greater, but there should be a minimum of one independent member present.

Role and Function of CSR Committee

The role and function of the CSR committee shall include the following:

- i. The Committee shall be overall responsible for the identification, selection, approval, execution, planning, supervision, coordination, and monitoring of various CSR projects, programs, and activities in line with CSR policy;
- ii. To consider and recommend various Schemes/Projects for financial assistance for approval of the Board of Directors of the Company;
- iii. To keep updated the Board on the execution of the desired CSR activities at periodical intervals and to submit the necessary reports to the Board for their consideration twice a year;
- iv. To interact with the Govt. Officials, NGOs/Social Organisation for the selection of areas in line with Schedule VII of the Companies Act, 2013 and finalization and implementation of Schemes; &
- v. To ensure receipt of the statement of expenditure duly certified by an authorized auditor of such organizations/institutions to whom CSR Fund is allocated.

Monitoring

- i. The Committee shall monitor the CSR program, scheme, and activities at such periodical intervals and may call for such periodical reports from such institutions/organizations to whom the CSR fund is allocated.
- ii. The CSR Committee shall ensure that the required fund is spent on the desired project within time bound, in case of failure in spending the required fund, the committee may take appropriate steps as it may deem fit.
- iii. The Board of Directors shall appraise the implementation of CSR activities and progress in its meetings.