

## CORPORATE SOCIAL RESPONSIBILITY POLICY

Aquapharm Chemical Limited  
(Formerly known as Advaya Chemical Industries Limited)

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## AQUAPHARM CHEMICAL LIMITED

### CSR Policy

#### 1. PREAMBLE:

AQUAPHARM CHEMICAL LIMITED (ACL' or 'the Company') is committed to continue contributing to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large. We are committed to contributing to the social and economic development of the communities in which we operate. CSR to us is investing part of our profits beyond business, for the larger good of society. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth.

RP-Sanjiv Goenka Group CSR Trust (RPSG Trust') established in February 2015 as a not-for-profit nodal body aimed at providing a dedicated approach to community development and also to fulfil CSR commitments of the RPSG Group Companies. RPSG Trust works towards removing malnutrition, improving healthcare infrastructure, supporting primary education, rehabilitating abandoned women and children and preserving Indian art and culture. ACL also partners with non-government organizations (NGOs) to make a difference among local communities. Aquapharm Chemicals Limited is one of the leading manufacturers and exporters of specialty chemicals, which include phosphonates, polymers, biocides, biodegradable chelating agents, and oilfield chemicals. The company is among the top producers of phosphonate globally and recognized as India's one of the largest phosphonate producers. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

#### 2. DEFINITION:

In this Policy, unless the context otherwise requires or if something is not defined, the following words, term, expressions and derivations therefrom shall have the meanings assigned to them in the Act:

"Act" means the Companies Act, 2013, as amended including notifications and rules made thereunder;

"Administrative overheads" means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

"Board" means the Board of Directors of the Company;

"Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any amendment thereto or re-enactment thereof);

"CSR Committee" means the Corporate Social Responsibility Committee of the Board of

Directors of the Company, referred to in Section 135 of the Act;

"CSR Policy" means this Policy, containing the approach and direction given by the Board of Directors of the Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

"Net Profit" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act;

"Implementing Agency" would mean and include any agency or organization in the form of company, NGO, trust, foundation, co-operation society through which the Company undertakes its CSR projects and activities, which follows any of the following conditions:

- a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- any entity established under an Act of Parliament or a State legislature; or
- a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

"Ongoing Project(s)" means a multi-year project, undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

### 3. OBJECTIVES:

ACL's CSR Policy intends to:

Strive for economic development that positively impacts the society at large with minimal resource footprint.

Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, health and wellbeing, environmental sustainability, education, livelihood improvement, basic amenities, communities, stakeholders and the society and one or more of such other activities that may be included in future in Schedule VII to the Act.

### 4. SCOPE:

It defines the organization's commitment to ethical, social, and environmental responsibilities,

extending beyond core business activities. It covers initiatives such as sustainability, education, healthcare, community development, and ethical business practices, ensuring alignment with legal and industry standards.

## 5. FOCUS AREAS:

In accordance with the requirements under the Act, ACL's CSR activities, amongst others, will focus on:

### HEALTH:

Maternal and child health and nutrition, early childcare and development, adolescent health and hygiene and community health and hygiene in underserved areas and among underprivileged sections.

### EDUCATION:

Access to quality education with level-appropriate reading and writing ability, and mainstreaming drop-out children through in-school and outside school interventions for underprivileged children. Creating a child-friendly environment in government and government-aided schools by providing infrastructure in the form of classrooms, water and sanitation facilities, libraries, playgrounds, computers, etc.

### ENVIRONMENT:

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.

### COMMUNITY DEVELOPMENT AND SKILL DEVELOPMENT:

Access to basic civic amenities, such as, safe drinking water, appropriate and adequate sanitation facilities for underprivileged communities. Protection of child rights, women empowerment, and skill development of youths from underprivileged communities for improving their employability.

### SENIOR CITIZENS CARE:

Empower and to ensure physical, mental, and social wellbeing of senior citizens by bringing the senior citizens to the mainstream of life through setting up of 'senior citizens' community center.

### 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.

The Company strives to be in service of the community at large and provide services that create holistic development and operate in alignment with the Company's philosophy.

## 6. AREAS FOR CSR INTERVENTION:

The Company has adopted a focused and structured approach towards implementing its CSR initiatives. It has identified thematic and programme areas to guide the design, intent and approach of its CSR initiatives.

It will strengthen and enhance its footprint in the areas the Company is currently working in and wish to explore opportunities and further expand to new focus areas aiming at community development around its areas of operation.

The CSR Committee will select projects and programmes that align to the thematic and programme areas specified within this policy. This will also include the modalities of execution that will be used to deliver and implement the projects/programmes, the timeframe, and disbursement and allocation of spend. The guidelines for selection of projects are as below and stipulate that:

- The Company will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- The programmes/projects will be within the areas recommended and/or listed by the CSR Committee and mentioned in the Policy.
- The Programmes/projects will not be in pursuance with the Company's normal course of Business.
- The Programmes/projects will be implemented within the country and preferably in areas where the Company has its presence.
- The Company will consider programmes/projects closely linked with the principles of sustainable development.
- The Company can actively consider programmes/projects that have been identified by employees and also those where employees are directly involved through volunteering efforts Programmes/projects should not be exclusively for the benefit of the Company's employees or their family members.
- Until a fund is specified in Schedule VII for the purposes of sub-section (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in Schedule VII of the Act.

#### 7. UNDERTAKING CSR ACTIVITIES:

ACL will undertake its CSR activities, recommended by the CSR Committee and approved by the Board, through the RPSG Trust, which is a Registered Public Trust with Section 12A and Section 80G registrations under the Income Tax Act, 1961 having the CSR Registration Number CSR00002382 or such other entity/organization which qualifies to be an Implementing Agency and as recommended by the CSR Committee and approved by the Board.

#### 8. LOCATION OF CSR EFFORTS:

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

## 9. GOVERNANCE:

The Company, through an Implementing Agency, can undertake CSR activities as per the provisions of the Act. Accordingly, RPSG Trust or such other entity, qualified as an Implementing Agency, will work closely with and support the Board and the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines in this Policy and implementing the CSR activities so approved for the Company. RPSG Trust or such other entity, being qualified as an Implementing Agency, will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.

## 10. SELECTION, FUNDING, MONITORING AND REPORTING PROCESS:

On recommendation of the CSR Committee, the Board will decide on selection of any CSR Program to be taken up by the Company on its own. Depending on whether it is an annual program or an Ongoing Project, annual budget and / or overall project cost is to be approved by the Board based on CSR Committee's recommendation. Periodic Report on the status of such program(s) / project(s) will be placed before the CSR Committee and the Board.

In case any CSR Program / Project is taken up through RPSG Trust or any Implementing Agency, based on requests for implementing any project received by them throughout the financial year, they will evaluate proposals received under the ACL's focus areas and projects will be prioritized by assessing their impact. The Trust or the Implementing Agency will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and recommend to the Board to approve proposals for implementation at its discretion. ACL representatives and/or RPSG Trust or the said Implementing Agency, will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee periodically.

The Company will institute a monitoring and review mechanism to ensure that each CSR project/ programme has:

- Clear objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary)
- Clear targets, time lines and measurable indicators wherever possible
- A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Act and the CSR Rules

Based on the recommendation of CSR Committee, the Board shall assign roles and responsibilities to the relevant team/ officials towards monitoring of the CSR activities and would have the responsibility of monitoring approved projects and funds disbursements for such projects. The Monitoring Mechanism of each project will differ on the basis of the nature of the project. The Company will monitor progress of CSR projects and expenditure thereon and will report impact to the CSR Committee and the Board, from time to time, as and when necessary.

The Company is required to report its CSR performance in its annual Board's Report as per the structure and format prescribed under the provisions of the Act.

Where the average CSR obligation is Rs. 10 crore or more in the immediately preceding three financial years, the Company shall also undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports, as and when applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.

Subject to the approval of the CSR Committee and also of the Board, the Company may undertake one or more CSR Projects as annual and/or ongoing CSR projects in association with one or more companies in RP-Sanjiv Goenka Group and/or with companies outside the Group.

11. EFFECTIVE DATE:

In order to align ACL's Corporate Social Responsibility (CSR) Policy with the amended provisions of the Companies Act, the policy shall be reviewed and suitably revised by the CSR Committee at its forthcoming meeting. The revised policy shall thereafter be placed before the Board of Directors for its approval.

Upon approval by the Board, the revised CSR Policy shall come into effect from the date of such approval.

12. CONSTITUTION OF CSR COMMITTEE:

The Company has constituted a CSR Committee of the Board in accordance with the provisions of the Act and the Rules made thereunder, to ensure effective implementation of this Policy. The composition of the CSR Committee shall be determined by the Board from time to time.

13. MEETINGS:

The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The Members of the Committee would thrive to hold at least two meetings in a financial year.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with the Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

#### 14. ROLES AND RESPONSIBILITIES:

##### ➤ BOARD OF DIRECTORS

The Board of the Company will be responsible for:

- Constituting a CSR Committee;
- Approving the Company's CSR Policy, consider CSR Annual Action Plan and approve the CSR budget placed by the CSR Committee;
- Disclosing the Policy's content in its Report to the Members and ensure the compliances under Section 135 of the Act as amended;
- Making any change(s) in the constitution of the CSR Committee from time to time;
- Ensuring that the CSR activities of the Company are undertaken by an Implementing Agency which is qualified for undertaking the CSR activities;
- Satisfying itself that funds allocated for CSR have been utilised for the purposes and in the manner as approved by it;
- Monitoring the implementation of the on-going projects with reference to the approved timelines and year-wise allocation and to make modifications, if any, for smooth implementation of the project within the overall permissible time period;
- Ensuring that administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year; and
- Taking such other steps and measures as may be required in terms of the Act and/or the Rules and as it deems necessary

##### ➤ CSR COMMITTEE

- Prepare, revise and modify the CSR Policy containing guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan for the Company and place the same with the Board of Directors for its approval;
- Ensure that the programmes /projects undertaken by the Company on its own or through the Implementing Agency are aligned with the approved CSR policy of the Company and are also aligned to Schedule VII and Section 135 of the Act;
- Provide guidelines for selection of projects/ programmes or implementing Agency to the respective Human Resource or CSR teams, wherever applicable;
- Review and recommend to the Board the annual budgets with respect to CSR programmes;
- Receiving Reports from Implementing Agency(ies) to assess the performance and

effectiveness of projects supported by the Company;

- Reviewing the findings and recommendations with regard to the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants;
- Respond to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Company's CSR supported initiatives;
- Ensure that the compliances the provisions under Section 135 of the Act and the Policy of the Company thereof;
- Develop and institutionalize a CSR reporting mechanism in light with Section 135 and Rules made thereunder; develop, recommend and oversee CSR Action Plan;
- Holding regular meetings of CSR Committee to discuss and deliberate upon the progress of the CSR activities and any change that needs to be informed to the Board for its approval;
- Periodically update the Board on the status of the approved CSR activities;
- And any other responsibility, as may be suggested by the Board or as may be required by the Act and/or the Rules.

15. IMPLEMENTATION:

IDENTIFICATION / SELECTION OF PROGRAMMES

The programmes would be identified as per the requirement in the community/schools, etc.

16. BUDGETS:

A specific budget is to be allocated for CSR activities in each financial year so that the Company spends every year a minimum amount as may be specified in the Act and/or the Rules (which currently is 2% (two per cent) of the average net profits made during the 3 (three) immediately preceding financial years) or such higher amount as may be recommended by the CSR Committee and approved by the Board. This budget shall be project/programme driven.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of 6 (six) months of the expiry of the Financial Year.

Excess CSR expenditure could be set off in succeeding three financial years, subject to the conditions mentioned in the Act. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, in the manner that may be prescribed in the Act.

The unspent CSR expenditure pertaining to an annual CSR project shall be transferred to any fund in Schedule VII of the Act, within 6 (six) months from the end of concerned financial

year. If the unspent CSR expenditure pertains to an Ongoing Project, the amount has to be transferred to a separate bank account to be called "Unspent CSR Account" for that financial year to be opened with a scheduled bank within 30 (thirty) days of the end of the concerned financial year and is to be spent on that Ongoing CSR Project in pursuance of its obligations towards the CSR Policy, within a period of 3 (three) financial years. In case the Company is unable to spend the CSR expenditure on the Ongoing CSR project in pursuance of its obligation towards the CSR Policy within the prescribed period of 3 financial years, it would be required to transfer the amount so unspent to any fund specified in Schedule VII of the Act, within 30 (thirty) days from the date of completion of the third financial year.

#### 17. ANNUAL ACTION PLAN:

The CSR Committee shall also formulate and recommend to the Board, an Annual Action Plan as per format specified in Annexure A, which shall include the following, namely:-

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the execution of the projects or programmes in the specified manner;
- the modalities of utilization of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the company.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify so, in the format as per Annexure B, to the effect.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

With regard to the budget, the Company will establish an accounting system that will allocate and account for CSR spend across projects and programmes.

18. DISSEMINATION OF INFORMATION AND DISCLOSURE OF THE POLICY:

The Company's CSR Committee composition, CSR Policy and the CSR projects approved by the Board will be available to the stakeholders on the Company's web-link at <https://aquapharm-india.com/csr/>

19. AMENDMENTS IN LAW:

Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any law/regulations either existing or arising out of any amendment to such law/regulations or otherwise and applicable to the Company from time to time. The Board on recommendation of the CSR Committee reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

20. REVIEW AND MONITORING:

The Board of Directors on recommendation of the CSR Committee shall review the Policy and can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

21. MANAGEMENT COMMITMENT:

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

22. CUSTODIAN: Company Secretary and Compliance Officer

Controlled Copy:

The current version of the document published in the internal online document management system & distributed through online link & ACL portal (as applicable) is to be treated as the Controlled Copy.

Uncontrolled Copy:

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‘Annexure A’

ANNUAL ACTION PLAN FOR THE CSR EXPENDITURE OF THE COMPANY FOR THE  
FINANCIAL YEAR

- List of CSR projects or programs undertaken/proposed to be undertaken Financial Year
- Manner of execution of such projects or programs
- Modalities of utilization of funds
- Implementation Schedule
- Monitoring and Reporting Mechanism of programs / projects
- Details of need and impact assessment
- Impact Benefit

‘Annexure B’

CERTIFICATION PURSUANT TO RULE 4(5) OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

I, [·], Chief Financial Officer of Aquapharm Chemical Limited (the “Company”), to the best of my knowledge and belief, certify that:

I have reviewed the Corporate Social Responsibility (“CSR”) Policy of the Company and to the best of my knowledge and belief provide that the Company has allocated / disbursed the prescribed CSR Expenditure i.e. 2 (Two) per cent of the Average Net Profits of the Company of the last three financial years.

The disbursement, to the best of my knowledge and belief, is adequately appropriated for various projects, standalone or on-going, directly or through implementing agencies, as approved by the Board of the Directors of the Company and per the annual action plan of the Company.

I, to the best of my knowledge and belief and per utilization report(s) received from the implementing agency(ies), affirm that the CSR funds so disbursed as mentioned above, have been utilized for the purpose and manner as approved by the Board of Directors of the Company, pursuant to Rule 4(5) of Companies (Corporate Social Responsibility Policy) Rules, 2014.

<<Name of the CFO>>  
Chief Financial Officer

Date:  
Place: