

CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction:

Aether Industries Limited (referred to as 'Company') is mainly engaged in business of manufacturing basic and specialty chemicals and conducting research and development activities.

Company understands the concept of Corporate Social Responsibility and is also aware about its responsibility towards the society and the environment for what it has achieved so far. Company is strongly committed to continuously perform their duties with full dedication and enthusiasm in true letter and spirit.

Right next after the incorporation of the Company, an entity in the name of 'Aether Foundation' was specially formed to fulfil Company's duties and responsibilities towards CSR.

Philosophy

Corporate Social Responsibility (CSR) is a public spirited cause that has been well introduced by the new Companies Act 2013. Through the CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit which resonates with the policy of the Company.

Preamble:

This policy includes Company's key areas to be covered under CSR activities / programs, fund utilization, implementation of the Policy so that society at large can avail its meaningful impact and review of the Policy and activities undertaken.

Policy of the Company is based on Schedule VII of the Companies Act, 2013 with various amendments notified from time to time. In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is, inter alia, required to:

- (i) Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- (ii) Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

This Policy comprises all the CSR activities / programs of the Company to be undertaken in direct or indirect manner i.e. either through Aether Foundation or any other Trust / Organization.

Aether Foundation:

Aether Foundation is a non-profit Company incorporated on 11th October, 2013 for the purpose of facilitating and conducting various CSR activities by the Company.

Applicability of the Policy

1. The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the Act in this Policy) and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India.
2. This Policy shall apply to all CSR initiatives and activities taken up at the various locations in India, preferably in the vicinity where the Company carries out its business operations and for the benefits of different segments of the society, specifically the deprived and under-privileged.

CSR Committee:

Composition:

The Committee shall be comprised of at least three Directors, out of which at least one Director shall be an Independent Director. Ms. Purnima Ashwin Desai, Executive Director shall be the Chairman of the CSR Committee. If the elected chairman is unable to attend the Meeting or remains absent, the Committee shall elect one of its members present to chair and conduct the Meeting of the Committee. Such Meetings shall be convened at regular intervals. The quorum for the Meeting should be minimum 2 (two) Committee Members. CSR Committee shall take care of all the CSR activities of the Company.

Meetings:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this 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.

Role of CSR Committee:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (as amended from time to time).
- b. To recommend the amount of expenditure to be incurred on the activities in a financial year.
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

Responsibilities of the Board:

The Board shall:

- Form a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of the Company shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

Key areas of activities:

Scope of Company's CSR activities shall be mainly comprised of following areas through direct or indirect contribution / performance;

- Eradicating hunger, poverty and malnutrition, promoting 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.

- 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 centers 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 recognized sports, paralympic 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.
- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Any other program, which the committee shall deem fit.

CSR Policy and schemes / programs thereunder shall be mainly based on socio-economic development with an integrated, overall, inclusive, equitable and collective approach.

Aether Industries Limited

Registered Office: Plot No. 8203, GIDC Sachin, Surat-394230, Gujarat, India.

Phone: +91-261-6603000 || **Email:** accounts@aether.co.in || **Web:** www.aether.co.in || **CIN:** U24100GJ2013PLC073434

Factory: Plot No. 8203, Beside Shakti Distillery, Near Rajkamal Chokdi, Road No. 8, Sachin GIDC, Sachin, Surat-394230, Gujarat, India.

Utilization of Funds:

Company in its annual budget shall allocate at least 2% of average net profit of the immediate previous three years, as prescribed under Section 198 of the Companies Act, 2013.

In case of any unspent / unutilized fund, the Board shall specify the reasons in their Report for not spending the amount and in case any surplus arises out of the CSR projects or programs or activities shall not form part of the business profit of a Company.

Implementation:

CSR activities of the Company shall be adhering to the key areas of the policy. Mainly local areas to be focused and prioritized for implementation of activities and program. Such activities and programs shall be undertaken within Territory of India only. Professional agencies may be engaged in conducting need based assessment in some programmes, wherever required.

Partnerships to implement the Programs:

Collaborative Partnerships may be formed with the Government Agencies, the village Panchayats, NGOs and other like minded stakeholders. This would help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

Criteria for identifying Executing Partners:

In case of programme execution by NGOs / voluntary Organizations the following minimum criteria should be required to be ensured:

1. The NGO / Agency must have a permanent office / address in India.
2. The NGO should be a registered public Trust or a Society having a duly executed Trust Deed / Memorandum of Association.
3. It should have registration Certificates under Section 12A, Section 80G, etc. of the Income Tax Act, 1961, registration under FCRA (wherever mandatory) and other applicable registrations.
4. It should have a Permanent Account Number (PAN).
5. Last 3 years audited statement of accounts.
6. Last 3 years income tax return.
7. Last 3 years FC Return (applicable to organizations with FCRA registration).

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8. The antecedents of the NGO / Agency are verifiable / subject to confirmation.
9. Should have a team of professional expertise and system to maintain Books of Accounts and to generate necessary Reports on the supported programmes.
10. No tie-up with the Competition of the Company.

Provided that in case of any amendment in the Act / the Rules specifying any criteria for implementing agencies, the same shall be applicable in addition to the above criteria (to the extent applicable). Provided also that the CSR Committee may waive one or more of the above criteria on case to case basis.

Agreement between the Company and Executing Agency:

Once the programs and the executing agency has been finalised, the concerned work centres would be required to enter into an agreement/MOU with each of the implementing agency as per the Standard Agreement format.

Monitoring and Evaluation Mechanisms:

Monitoring and Evaluation Mechanisms include the following, one or more of which shall be implemented based on the size, quantum and tenure of the CSR programs:

1. To ensure effective implementation of the CSR programmes undertaken at each work centre, a monitoring mechanism will be put in place by the CSR Committee. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a regular basis.
2. Feedback would also be obtained and documented from the beneficiaries and influential local leaders by the respective work centres about the programmes, as and when required.
3. Field visits would be conducted by the respective CSR teams to ensure the progress of the programmes at their work centres. The visits would be informed and surprised also.
4. Partners would be required to report narrative as well as financial updates on a quarterly/annual basis in the format mutually decided.
5. The Finance and Accounts Team of the Company in consultation with the CSR Committee would conduct audit of the CSR programmes as and when required. The Finance and Accounts would, from time to time, also guide the respective partners and CSR team of the Company on necessary compliances.

6. Impact Assessment would be conducted on a periodic basis, through CSR team of BIL and independent professional third parties if need be, especially on the strategic and high value programmes.

The Board of Directors of the Company shall also monitor the CSR Programs / Projects in such manner and on such periodicity as may be required by the Act / the Rules.

Engagement Of International Organisations:

The Company may engage international organisation(s) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.

Review:

Appropriate and transparent review mechanism of all the activities / programs shall be put in place and relevant information shall be made available for reference.

Report of CSR activities / programs on quarterly basis shall be prepared by CSR Committee and presented before the Board in their Meeting.

General

- Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This Policy shall also be subject to such clarifications and FAQs as may be issued by MCA from time to time.
- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference should be made to Corporate CSR Department. In all such matters, the interpretation & decision of the CSR Committee shall be final.
- Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from the Government, from time to time.
- The Company reserves the right to modify, cancel, add, or amend any of these Rules.