# <u>BODAL CHEMICALS LIMITED</u>

Corporate Social Responsibility (CSR) Policy

# Corporate Social Responsibility Policy

## 1. INTRODUCTION:

The concept of Corporate Social Responsibility has gained prominence from all avenues. Organization must realize that Government alone will not be able to get success in its endeavor to uplift the downtrodden of the Society. Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences.

The company endeavors to make CSR a key business process for sustainable development. Bodal Chemicals Ltd. is responsible to continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in accountable manner that creates a sustained positive impact on society.

## 2. AIMS AND OBJECTIVES

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operates. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also contribute as a company to various charitable causes and we seek to participate in ways that touch people's lives in these communities.

In this regard, the Company has made this policy which encompasses the Company’s philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and titles as the “Corporate Social Responsibility (CSR) Policy” which is based as per the Companies Act, 2013 and rules made there under.

This policy has been formulated and recommended by the CSR Committee and adopted by the Board of Directors at its meeting held on 28th May, 2014. The Board may, upon recommendation of the CSR Committee, amend or modify this CSR Policy as and when necessary.

## 3. DEFINITIONS

- **Act** means Companies Act, 2013, as amended and modified from time to time.

- **Areas of Interest** means the areas of interest as identified by The Company for implementing CSR goals and shall include the areas specified in this CSR Policy and shall include all CSR Activities as defined under the Act and CSR Rules from time to time.

- Company means Bodal Chemicals Limited.

- Corporate Social Responsibility (CSR) means and includes but is not limited to:

  1) Projects or programs relating to activities specified in schedule VII to the companies Act, 2013; or,

  2) Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendation of the CSR Committee and approved by the Board as per this policy.

- CSR Committee means Corporate Social Responsibility Committee constituted by the Board pursuant to section 135 of the Companies Act, 2013.

- CSR Commitment shall mean at least 2% of the average net profits of The Company made during the three immediately preceding financial years as described in this CSR Policy for conducting its CSR activities in accordance with the Act and CSR Rules.

- CSR Rules means the Companies (Corporate Social Responsibility) Rules, 2014, as amended and modified from time to time.

- Funding shall mean the disbursements that are to be made to an Organization pursuant to this CSR Policy, with the prior approval of the CSR Committee and the Board in accordance with the Act and Rules.

- Net Profit means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the followings, namely:-

  1) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise, and

  2) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013.

  *Provided that* net profit in respect of financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies act 1956 shall not be required to be re-calculated in accordance with the provisions of the Companies Act 2013.

- Net-worth means an aggregate value of the paid-up capital and all reserves created out of the net profits and securities premium account minus the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off.

Following is excluded from computations of net worth:
(a) Reserve created out of revaluation of assets;
(b) Reserves out of write back of depreciation;
(c) Reserve created out of amalgamation. (Section 2(57) of the Act)

- **Turnover** means an aggregate value of realization of amount made from the sale, supply or distribution of goods or on account of service rendered or both, by the company during the financial year.

4. APPLICABILITY:

- **Bodal Chemicals Limited's** CSR policy has been developed in accordance with the provisions of Section 135 of the Companies Act 2013 ("the Act") on CSR and in accordance with the CSR rules ("Rules") notified by the Ministry of Corporate Affairs.

- The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

- Following are the applicability criteria as defined under companies Act, 2013

  - **Every Company** including holding or subsidiary, and a foreign company having its branch office or project office in India

  a. having **net worth** of rupees five hundred crore or more, Or

  b. **turnover** of rupees one thousand crore or more Or

  c. a **net profit** of rupees five crore or more during immediately preceding financial year

5. OBJECTIVE OF THE POLICY

- To **assist socially and economically disadvantages segments of society** to overcome hardship and impoverishment

- To enhance **increased commitment** at all levels in the organization towards reinforcing its image as a social and environmental conscience company

- Demonstrate commitment to the common good through responsible business practices and good governance.

6. CONSTITUTION, COMPOSITION AND SCOPE OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

(a) Constitution and composition of the CSR Committee:

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee comprising 3 Members of the Board. Subject to the requirements of the Act, the Board may increase or decrease the size of the CSR Committee by passing a resolution.

The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of section 135 of the Companies Act, 2013.

The current members of the CSR Committee shall be the following:

| Name | Title | Role in the Committee |
|---|---|---|
| Mr. Suresh J. Patel | Chairman & M.D. | Chairman |
| Mr. Ankit S. Patel | Executive Director | Member |
| Mr. Sunil K Mehta@ | Independent Director | Retired w.e.f. 12th December 2022 |
| Mr. Rohit B Maloo | Independent Director | Member |

@ Mr. Sunil K Mehta, Independent Director was retire from Independent Director of the Company w.e.f. 12th December 2023 and Mr. Rohit B Malloo appointed as Independent Director w.e.f. 12th December 2023 and also appointed as Member of CSR Committee in place of Mr. Sunil K Mehta, a retired independent director.

(b) Invitees to the CSR Committee:

The CSR Committee may, at its discretion, invite employees of The Company from time to time to participate in the meetings of the CSR Committee and assist the CSR Committee in the implementation of the CSR Policy.

(c) Scope of the CSR Committee:

The CSR Committee has been set up to:-

- Formulate and recommend to the Board CSR Policy which shall indicate the activities to be undertaken by the Company as detailed in the Schedule VII to the Act
- Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy
- Monitor the CSR Policy from time to time

(d) Modalities of execution of the CSR Projects:

The modalities of the execution of the CSR projects or programs and their implementation along with the monitoring process of such projects or programs as decided by the CSR Committee

(e) Decisions by the CSR Committee:

- The CSR Committee shall at all times act in a manner that is consistent with the provisions contained in this CSR Policy, the Act and CSR Rules.
- The CSR Committee shall endeavor to arrive at all decisions by a consensus of all Members. However, in the event the CSR Committee is unable to arrive at such a consensus, the Chairman of the Committee may make the final decision.
- All decisions of the Committee shall be ratified by the Board.

(f) Meeting of the CSR Committees:

- The CSR Committee shall meet as frequently as it determines necessary but at least once annually.
- The CSR Committee shall maintain minutes of each of its meetings.
- The CSR Committee shall review proposed projects and make recommendations to the Board for approval of such projects and allocation of Funding in accordance with the CSR Committee charter.
- The final decision with regards to the acceptance or rejection of a CSR Proposal shall be with the Board.

(g) CSR Budget

- CSR Committee will recommend the annual budgeted expenditure project wise to the Board for its consideration and approval.

7. <u>CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES (Areas of interest):</u>

The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, can undertake any of the following activities, as part of its corporate social responsibility initiatives, which are defined in Schedule VII of the Companies Act 2013;

(a) <u>Areas of Interest:</u>

1. 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.
2. Promoting education, employment enhancing vocation skills and the differently abled and livelihood enhancement projects.

3. Promoting gender equality, empowering women by setting up homes and hostels, setting up old age homes and orphanage house, day care centers and other facilities for senior citizens.

4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil or air and water including contribution to the clean Ganga set-up by the the Central Government for rejuvenation of river Ganga.

5. Promotion and protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries.

6. Measure for the benefit of armed forces veterans, war widows and their dependents.

7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.

8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the CG for socio-economic development and relief fund and welfare of the schedule castes, the scheduled Tribes, other backward classes, minorities and women.

   [Contribution to any fund set up by CG means it doesn't include the fund set up by state govt. or any local govt.]

9. 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).

10. Rural development projects.

11. Slum area development.

12. disaster management, including relief, rehabilitation and reconstruction activities

*Provided that*, the CSR projects and programs or activities that benefit only the employees of the Company and their relatives shall not be considered as CSR activities.

Also, the CSR activities undertaken in India only will be taken into consideration, in order to satisfy the requirement of section 135 of the Companies Act 2013.

(b) The Company may update the above list as per Section 135 and Schedule VII of the Act as amended from time to time.

(c) The Company focuses its philanthropy primarily in geographic regions of India where The Company has a business presence. However, The Company may contribute to causes in other parts of India, if the CSR Committee is of the opinion that such contribution is appropriate.

(d) The Company will publish the list of specific projects / programs it plans to undertake for any financial year, and the modalities of execution, including implementation plan will be published as an Annexure to this policy from time to time.

8. CSR MAINSTAY:

- Collaboration with other Companies undertaking projects/programs in CSR activities.
- Contribution / donation made to such other Organization / Institutions as may be permitted under the applicable laws from time to time.
- Directly by the Company for fulfilling its responsibilities towards various stakeholders.

9. IMPLEMENTATION AND RESOURCES FOR THE CSR ACTIVITIES:

- For achieving its CSR Initiatives and Activities through implementation of meaningful & sustainable CSR programs, the Company needs to allocate, in every financial year, at least 2% (two per cent) of the average net profit made by the Company during the three immediately preceding financial years.

  The CSR Commitment shall comprise of the following:

  - 2% (two percent) of the average Net Profits of The Company for the last 3 (three) financial years;
  - Any income arising from the CSR Commitment; and
  - Surplus arising out of CSR activities, if any.

- If in case the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the prescribed amount.

- The Company's CSR programmes will be identified and implemented according to the Board's approved CSR policy. The Company will enhance its monitoring and evaluation mechanism so as to ensure every programme has:

  - Clearly defined objectives, targets and time lines.
  - A progress monitoring system
  - Impact assessments
  - A reporting framework and system in alignment with the Act and rules

- The company will implement its CSR programs either through any government or Non-Government Organizations.

## 10. MONITORING MECHANISM:

1. Organizations receiving Funding will be required to provide evaluation information on a periodic basis with details on the status of the CSR Activities, including details concerning the project deliveries, costs incurred, and in a manner prescribed by The Company.

2. A summary of these reports shall be tabled before the meetings of the CSR Committee.

3. Detailed reports will be available for further perusal of the members of the CSR Committee as required.

4. The Company reserves the right to suspend payments to an Organization that delays and or fails to provide, to The Company's satisfaction, details concerning the use of the Funding

## 11. REPORTING MECHANISM:

The Company shall publish its annual report on CSR Activities in its Directors Report in the manner prescribed under the Companies Act 2013 and the CSR Rules. This policy will also be available on The Company's website.

Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year;

(b) Amount unspent, if any;

(c) Manner in which the amount spent during the financial year is detailed below:

| No | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency* |
|---|---|---|---|---|---|---|---|
| 1 | | | | | | | |
| 2 | | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total | | | | | | |

*Give details of implementing agency

- In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.