



**bHANSALI ENGINEERING polymERS limited**

An ISO 9001:2015 Company

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## **CSR Policy**



## 1. PREAMBLE

Bhansali Engineering Polymers Limited (herein after referred as "the Company") is committed to contribute to harmonious and sustainable development of the society. We recognize that business enterprises are economic organs of society that draw on various societal resources for its functioning and growth. It is our core belief that Company's performance must be measured not only by its bottom line but also the social contributions made while achieving its financial goals.

## 2. APPLICABILITY:

The Company is governed by the provisions of this CSR Policy at all such times during which the Company fulfils the criteria as specified in sub-section (1) of Section 135 of the Act and sub-rule (2) of Rule 3 of CSR Rules.

This policy shall apply to all CSR initiatives and activities to be undertaken by the Company.

## 3. OBJECTIVES OF THE POLICY:

The objectives of the CSR Policy are to:

- a) Uplift the communities around its areas of operation, thereby creating a positive impact in the community;
- b) Identify interventions to ensure sustainable social development after considering the immediate and long-term socio-environmental consequences; and
- c) Generate community goodwill for the Company through its CSR initiatives and help reinforce a positive image as a socially responsible corporate entity.

## 4. DEFINITIONS

- a. "Act" means the Companies Act, 2013, as amended from time to time and includes all rules framed thereunder.
- b. "Company" means Bhansali Engineering Polymers Limited.
- c. "CSR Policy" means the Corporate Social Responsibility Policy of Bhansali Engineering Polymers Limited.
- d. "CSR Rules" means Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time and shall include the Amendment Rules notified from time to time.

Terms referred in this policy, which have not been defined specifically, shall have the same meaning as ascribed to such terms under the Act or Rules.

## 5. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company shall:

- a. approve modifications to the CSR Policy, as and when required, based on the recommendations of the CSR Committee and disclose the contents of such policy in its Board Report and also place it on the Company's website, if any.
- b. ensure that the activities as are included in CSR Policy are undertaken in the manner prescribed in CSR rules.
- c. ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy.

Provided that if the Company fails to spend the aforesaid 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 amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- d. satisfy that the amounts disbursed in respect of fulfillment of CSR obligation have been utilized for the said purposes, approved by the Committee.



- e. monitor the implementation of the ongoing project, if any, with reference to the approved timelines and year-wise allocation. The Committee / Board shall be competent to make modifications, if any, for smooth implementation of the project, within the overall permissible time period.
- f. ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- g. include in its Report the annual report on CSR in the format as prescribed in CSR rules.

## 6. CSR COMMITTEE:

In accordance with the provisions of Section 135 (1) of the Act, the Company shall constitute a CSR Committee consisting of minimum 3 (three) Directors, of which One Director shall be an Independent Director.

Where the amount to be spent by a Company under sub-section (5) of Section 135 does not exceed fifty lakhs rupees or any other limit as may be prescribed from time to time, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under Section 135 shall, in such cases, shall be discharged by the Board of Directors of the Company.

## 7. DUTIES AND RESPONSIBILITIES OF THE CSR COMMITTEE:

The CSR Committee shall –

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subjects, specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on such activities;
- monitor the CSR Policy of the company from time to time; and
- formulate and recommend to the Board, an annual action plan (beginning of the financial year) in pursuance of CSR policy.

## 8. ACTIVITIES TO BE UNDERTAKEN

### 8.1 ACTIVITIES

This policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiative that measurably improve the lives of the underprivileged by ensuring the social wellbeing of the communities in the vicinity of its business operations by one or more of the specified areas as notified or to be notified under Schedule VII of the Act, from time to time.

### 8.2 ANNUAL ACTION PLAN:

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of CSR policy, which shall include the following, namely:-

- a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the CSR rules;
- c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d. monitoring and reporting mechanism for the projects or programmes; and
- e. details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the Board as per recommendation of CSR Committee may approve and /or alter the annual action plan, at any time, during the financial year, based on the reasonable justification to that effect.



### **8.3 SELECTION/IDENTIFICATION OF CSR PROJECTS:**

- a. CSR Projects are to be identified and approval of CSR Committee to be sought, basis the estimated expenditure and phase wise implementation schedules, if any.
- b. The Company shall ensure that in identifying its CSR Projects, preference shall be given to local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
- c. As a cardinal principle, the CSR Projects shall be identified on the basis of a detailed assessment survey and ensure that such CSR project fulfils the criteria as prescribed in Section 135 and rules made there under. Every year, the CSR Budget, along with its implementation schedule shall be presented to the Board, by the CSR Committee, for its approval.
- d. The Members of the CSR Committee are severally authorized to implement project(s), duly recommended by the CSR Committee and approved by the Board.
- e. The CSR Committee may engage external professionals / firms / agencies, if required, for the purpose of selection of CSR Projects.

### **8.4 CSR OBLIGATION & EXPENDITURE:**

- a. The Company's obligation towards CSR initiatives shall be at least two percent of the average net profits of the Company made during the three immediately preceding financial years calculated in accordance with the provisions of Section 198 of the Act.
- b. Any surplus arising out of the CSR projects or programs 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 this CSR policy and annual action plan of the company or transfer such surplus amount to a funds specified in Schedule VII, within a period of six months of the expiry of the financial year.
- c. Where the Company spends an amount in excess of requirement provided under Section 135(5), such excess amount may be set off against the requirement to spend under Section 135(5) up to immediately succeeding three financial years subject to the conditions that:
  - i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of the CSR rules.
  - ii. the Board of the company shall pass a resolution to that effect.
- d. The administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- e. The expenses incurred on undertaking impact assessment, if any, to be included in CSR expenditure for that financial year, provided the
- f. A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.
- g. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –
  1. a company established under section 8 of the Act, or a registered public trust or a registered society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4 of CSR rules; or
  2. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  3. a public authority.
- h. Unspent amount, if any, for the financial year, unless it is earmarked for an Ongoing Project referred to in section 135(5), shall be transferred to funds specified in Schedule VII of the Act, within a period of 6 months from the end of the financial year.



- i. Unspent amount, if any, for the financial year, pertaining to an Ongoing Project fulfilling conditions as prescribed in CSR rules and undertaken in pursuance of CSR policy, shall be transferred to a special bank account i.e. Unspent Corporate Social Responsibility Account of the Company within a period of 30 days from the end of financial year and such unspent amount shall be spent by the Company in pursuance of its obligation towards CSR policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a funds specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

#### **8.5 IMPLEMENTATION OF CSR PROJECTS:**

- a. The CSR projects will be undertaken as per the programs and/or projects to be undertaken from the activities prescribed under schedule VII and identified by CSR Committee/Board from time to time.
- b. The Board shall ensure that the CSR activities are undertaken by the Company itself or through –
  - i. 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, established by the company, either singly or along with any other company, or
  - ii. 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
  - iii. any entity established under an Act of Parliament or a State legislature; or
  - iv. 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.

Provided that every entity covered above intending to undertake any CSR activity must have CSR Registration certificate / unique CSR Registration Number as provided by the concerned Registrar of the Companies.

Provided further that criteria of having mandatory CSR Registration Number shall not affect the CSR projects or programmes approved prior to the 1<sup>st</sup> day of April 2021.

- c. The company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.
- d. The company may also collaborate with other companies for undertaking projects or programmes 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 programmes.

#### **8.6 MONITORING AND IMPACT ASSESSMENT:**

##### **A. MONITORING:**

One or more of the following 'Monitoring and Evaluation Mechanisms' to be implemented, based on the size, quantum and tenure of the CSR programmes:

- i. To ensure effective implementation of the CSR programmes, a monitoring mechanism will be put in place.
- ii. Feedback may be obtained about the programmes, as and when required.
- iii. The Finance and Accounts Team of the Company may conduct audit of the CSR programmes as and when required.

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



**B. IMPACT ASSESSMENT:**

The Company, as per direction of the CSR Committee, may voluntarily carry the impact assessment for any one of the programs or projects to assess or improve the effectiveness of CSR spend, which will enable the Committee for its further disposal CSR Obligation and presentation before the Board.

However, if the Company falls under the threshold limit as prescribed under Rule 8(3) of the CSR rules, then the Company shall undertake impact assessment through an independent agency for their CSR projects having outlays and completion period as prescribed under the CSR rules and such impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

**9. GEOGRAPHIC COVERAGE**

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will endeavour to implement its projects and programs in and around the geographies where it carries its business and operations, however CSR activities are to be undertaken within the geographical boundary of the country.

**10. CSR REPORTING:**

- a. Periodical Reports on CSR Activities may be placed before the CSR committee highlighting the cumulative spending and outcomes of the program specific details.
- b. The Board's Reports shall include an annual report on CSR containing particulars as specified in the format prescribed in CSR rules.
- c. The Composition of the CSR Committee and the CSR Policy to be disclosed, on the website of the Company, as per CSR Rules.
- d. The Board will ensure that the Statutory requirements as may be prescribed from time to time under the Act, as amended and the CSR Rules are complied with.

**11. GENERAL:**

- a. All the members of the CSR Committee, the CSR Council, the CSR Partners, Employees, External Professionals and other person connected with this CSR Policy must follow norms of confidentiality, if and as applicable.
- b. If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the CSR Committee may, with approval of the Board, discontinue funding the project at any time during the course of implementation and use such amounts for any other project.
- c. The CSR Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this CSR Policy.
- d. In the event of any conflict between this Policy and the provisions contained in section 135 of the Act read with CSR Rules, the provisions of section 135 of the Act and CSR Rules shall prevail.

**12. AMENDMENT:**

The CSR Committee is empowered to amend and recommend the CSR Policy to the Board for their approval. The Board may subject to compliance with applicable law, approve, alter and amend the CSR Policy, as it deems fit to comply with the statutory obligations to undertake the CSR Activities.