

**BHATIA COLOUR CHEM LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

## **1. Preamble**

Pursuant to the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has framed this Corporate Social Responsibility Policy to reaffirm its commitment to contribute to social development, with a primary focus on improving education and healthcare access, affordability and quality for underserved communities.

## **2. PHILOSOPHY**

We as a company never lose sight of our responsibility to the environment and society. Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity, accountability, operating responsibly and sustainably.

## **3. OBJECTIVE AND SCOPE**

### **Objective**

The main objective of the CSR Policy is to lay down guidelines for Bhatia Colour Chem Limited (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas to adhere to interest in Corporate Social Responsibility Policy that focuses on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

### **Scope & Coverage**

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the CSR Policy is applicable on the Company w.e.f. 01st April, 2025 and Company will review the sectors/activities from time to time and make additions/deletions/clarifications to the above sectors/activities.

#### 4. DEFINITIONS

In this Policy unless the context otherwise requires,

“Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof and includes any Rules framed thereunder, as the case may be in respect to the reference made in the provisions under this Policy;

“Administrative overhead” means the expenses incurred by the Company for the general management and administration of Corporate Social Responsibility functions of 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.

“Annexure” means annexure appended to the amended CSR rules.

“Articles” means the Articles of Association of the Company, as modified from time to time;

“Company” shall mean Bhatia Colour Chem Limited.

“Board of Directors” or “Board” means the collective body of the Directors of the Company;

“Corporate Social Responsibility” or “CSR” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act, but shall not include the following:

- i. activities undertaken in pursuance of normal course of business of the Company.
- ii. any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- iv. activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).
- v. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and

vi. activities carried shall mean the activities mentioned herein and intended to be undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act.

“CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

“CSR Policy” means a statement containing the approach and direction given by the board of a 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 Profits” shall mean the net profit of the Company as per its financial statement calculated as per section 198 of the Companies Act, 2013, but shall not include the following, namely: -

- a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- b. 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.
- c. “Ongoing Project” means a multi-year project undertaken by a Company in fulfillment 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.

## **5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

### **Constitution of Committee**

Pursuant to the provisions of Section 135 of the Act, the Board of Directors constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least three or more Directors, out of which at least one shall be an independent director.

### **Functions and Powers of Committee**

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

### **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.
- The Board shall specify in its report the reasons for not spending the amount if the company fails to spend such amount.

### **6. CSR ACTIVITIES**

The Company shall undertake any of the following Activities/Projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility ("CSR"):

- Eradicating hunger, poverty, and malnutrition, promoting preventive health care and 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, agro-forestry, conservation of natural resources and maintaining quality of soil, air, and water.
- 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 Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- Training to promote rural sports, nationally recognized sports, Paralympics, and Olympic sports.
- Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES 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 public funded universities as prescribed in schedule VII or funds provided to technology incubators 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
- Rural development projects.
- Slum area developments
- Disaster management, including relief, rehabilitation, and reconstruction activities.
- Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time or the Board may consider to be appropriate. (Collectively hereinafter referred to as "CSR Activities")

Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

## **7. CSR EXPENDITURE**

### **a. CSR Funds**

- For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, the Company will allocate 2% of its average net

profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

- The Annual CSR Budget shall be spent on activities laid down in this Policy.
- Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

**b. Administrative Overheads:**

The Board to ensure that the administrative overheads expenses not to exceed 5% of the total CSR expenditure of the Company for the financial year.

**c. Surplus arising from CSR activity**

Any surplus arising out of the CSR projects, programs or activities will not form part of the business profit of the Company and shall be treated in the following manner:

- ploughed back into the same project;
- shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan on the Company; or
- such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

**d. Excess CSR Spent**

In case of excess CSR Spend in any year, such excess amount may be set-off against the requirement to spend up to immediate succeeding 3 financial years' subject to:

- the excess amount available for set off will not include surplus arising from CSR Activities; and
- the Board to pass a resolution to that effect.

**e. Creation or Acquisition of Capital Assets**

The CSR amount can be spent for creation or acquisition capital assets which shall be held by:

- a company established under section 8 of the Act or Registered Public Trust or Registered Society, having Charitable objects and CSR Registration Number under the Rules;

- beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities;
- public authority.

#### **f. Treatment of unspent amount**

- The Board must explain the reasons for not spending the required amount in its Board Report.
- If the unspent amount does not relate to an ongoing project, the company must transfer it to a Fund specified in Schedule VII within 6 months from the end of the financial year.

Unspent Amount for Ongoing Projects:

If the unspent CSR amount relates to an ongoing project:

- The company must transfer it within 30 days from the end of the financial year to a special bank account called: Unspent Corporate Social Responsibility Account.
- The amount must be spent within 3 financial years from the date of transfer.
- If still unspent after 3 years, it must be transferred within 30 days to a Schedule VII Fund.

### **8. IMPLEMENTING AGENCY**

The implementing agency should be any:

- company established under Section 8 of the Act, or a registered public trust or the registered society established under section 12AA and 80G of the Income Tax Act, 1961, established by the Company, either singly or along with the other agency; or
- A company established under Section 8 of the Act, or a registered public trust or the registered society established under section 12AA and 80 G of the income tax Act, 1961, established by Central Government and State Government; or
- Any entity established under Act of Parliament or State Legislature; or
- A company established under Section 8 of the Act, or a registered public trust or the registered society established under section 12AA and 80 G of the income tax Act, 1961, and having an established track record of at least three years in the similar activities.

### **9. GENERAL**

- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation and decision of the 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 Government, from time to time.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board. In the event of any conflict between the provisions of this Policy and of the applicable law, such applicable law in force from time to time shall prevail over this Policy.