



BENZO CHEM INDUSTRIES PRIVATE LIMITED

Registered Office: C-31 to C-36 & B-35, Third Floor, C Wing, 224, Mittal Court
Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021

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CIN - U24100MH1986PTC041751

Corporate Social Responsibility Policy

Responsible Unit:	Board of Directors
Prepared By:	Corporate Social Responsibility Committee
Approved By:	Board of Directors
CSR Committee Members:	Mr. Surendrakumar Mohatta (Chairman of Committee) Mrs. Vimladevi Mohatta (Member of Committee)) Mr. Gaurav Mohatta (Member of Committee)
Validity:	Perpetual Till Next Amendment
Document Type:	Directive
Edition:	Second (Total Pages – 9)
Replaces:	First Edition
Distribution List:	Board of Directors, Members of CSR Committee and For Corporate Communication
Reason for Revision:	In order to Synchronize with the Current Applicable Legal Provisions and to Define Implementation and Monitoring Norms.
Change from most recent previous Edition:	Restructuring of Policy to include: <ul style="list-style-type: none"> • Addition of Brief Company Background • Outline Mission and Objective of Policy • Defining the Implementation and Monitoring Process • Mention of Role and Responsibilities of Board and CSR Committee • Coverage of Amendment made under Applicable Legal Statutes

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1. INTRODUCTION –

Benzo Chem Industries Private Limited (hereinafter referred to as “BENZO CHEM”) is wholly owned company of Mohatta Group. The company was incorporated three decades ago in 1986 at Jalgaon for production of phthalate plasticizers. Soon, the company has developed substantial competencies in the areas of biocides, pharmaceuticals and performance chemicals.

Since then the company never looked back. Innovative products with the environmentally greener processes and fast system solutions enabled us to expand further in 1997 at Malkapur about 400 kms from Mumbai. At the current date BENZO CHEM operates from its HO and registered office situated in Mumbai and has 5 plants in operation out of which one is a 100% EOU situated at Malkapur and other is GMP plant certified by SGS Europe situated at Ambernath.

BENZO CHEM strongly believes that Corporate Social Responsibility (CSR) is connected with the principles of sustainability and recognizes that its business activities have wide impact on the society in which it operates. Therefore the Company endeavors to make CSR a key business process for sustainable development, through its integration in the overall business approach.

We further believe that our Corporate Responsibility lies in embracing core corporate values through commitment to grow in a socially and environmentally responsible way, while meeting the interests of all relevant stakeholders. Consequently, the Company makes decisions based not only on financial parameters, but also taking into consideration the social and environmental impact arising out of the actions of the Company.

Carrying forward this belief, this Corporate Social Responsibility Policy (hereinafter referred to as “CSR Policy”) is prepared in line with our corporate strategy and our commitment to Corporate Responsibility.

2. MISSION AND OBJECTIVE–

The policy aims at enabling and facilitating accomplishment of Company’s CSR Objectives’ outlined as follows:

- a) To demonstrate commitment to the common good through responsible business practices and placing high value on good corporate governance standards;
- b) To actively support the national development initiatives to ensure sustainable change;
- c) To engender a sense of empathy and equity among employees of BENZO CHEM to motivate them to give back to the society.
- d) To undertake activities that benefit the communities and over a period of time as a result of such activities should strive to enhance quality of life, skills and economic well being of local populace.



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3. GOVERNING STATUTES, APPLICABILITY AND GENERAL PROVISIONS –

a) Governing Statutes –

BENZO CHEM's CSR Policy has been developed pursuant to Section 135 of the Companies Act, 2013 (hereinafter referred as "the Act") and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred as "the Rules") notified by the Ministry of Corporate Affairs, Government of India in 2014. All the amendment to the said Act and Rules as and when notified will be applicable to the Company and such amendment in statute would not require Amendment to the CSR Policy.

b) Applicability –

This CSR Policy shall apply to all CSR projects/ programs undertaken by the Company in India as per Schedule VII of the Act. This CSR Policy shall be applicable to all the plants and office locations of Benzo Chem Industries Private Limited.

c) General Provisions –

- The projects undertaken as CSR Activities through an implementing agency should be in co-relation and compliance to the said Act and Rules
- CSR Projects with area of operation within India shall only be taken into consideration.
- BENZO CHEM may collaborate with other companies for undertaking CSR Projects, in such manner that the CSR Committees of respective companies are able to report separately on such projects and in accordance with the said Rules. Further each such collaborating company has to individually comply with requirements of the said act.

4. FOCUS AREAS –

For purposes of focusing its CSR efforts in a continued and effective manner, the following areas have been identified:

- i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii) Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement projects;
- iii) 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;
- iv) 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;
- v) 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;
- vi) Measures for the benefit of armed forces veterans, war widows and their dependents;



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- vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
 - viii) 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, Scheduled Tribes, other backward classes, minorities and women;
 - ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
 - x) Rural Development Projects.
 - xi) Any other project / areas that may be specified by Ministry of Corporate Affairs from time to time.

The above focus areas are in line with the Schedules VII of the Companies Act, 2013. The CSR activities / projects shall be implemented through Non-Governmental Organizations (NGO's), Government Bodies, Institutions, Municipalities, Schools and Agencies as may be recommend by the CSR Committee and approved by Board of Directors.

The CSR Projects that benefit only the employees of the Company and/ or their families shall not be considered as CSR Activities, within the purview of this Policy and Section 135 of the Companies Act, 2013 read with the CSR Rules.

5. IMPLEMENTATION PROCESS –

a) Identify Projects:

Based on the study of the focus areas, need assessment will be done and the project shall be identified. CSR projects would ideally be carried out and focused in local areas where BENZO CHEM is in operation. Though, the projects can also be undertaken based on representations, requests, proposals voluntarily received from various Third Party Bodies which may include NGO's, Trusts, Society, Academic Organizations, Hospital, etc.

b) Identify Implementing Agencies:

• Criteria for identifying third party bodies to act as Implementing Agencies –

It is the responsibility of the CSR Committee, while the implementation modality of a CSR project / program is defined, to ensure that the external body who would execute the said project / program is clearly identified. The external body shall meet the following criteria:-

- i) NGO's / Societies / Trusts / Professional Organizations / Academic Institutions / Hospitals / Section 8 Companies formed for Non-Profit, etc.
- ii) Have a permanent office / address in India;
- iii) Be a registered organization under relevant statute and bear such registration certificate in its name;
- iv) Possess a valid Income-tax Exemption Certificate;
- v) Have verifiable antecedents, subject to confirmation;
- vi) Have a track record of at least three financial years.



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- **Pre-Appointment Screening Documents for Verification of Implementing Agency –**
Following documents to be called for verification and screening the viability of Third Party Body Representation:-
 - a) Copy of MOA & AOA / Trust Deed / Registration Document outlining the Mission and Code.
 - b) Copy of Valid Certificates / Government Accreditations under Indian Statute (including FCRA / IT – 80G Certification, etc.) / Credibility Accreditations.
 - c) Audited Accounts of Last Three Financial Years
 - d) Sanctions obtained from various authorities with respect to the Concerned Projects
 - e) Project Specific Implementation Schedule and Proposal.

c) Recommendation to the Board and Approval:

The CSR Committee shall recommend to the Board of Directors, the CSR projects or programs which the Company plans to undertake specifying the modalities of execution of such projects or programs and implementation schedules for the same and also the monitoring process of such projects. Such activities shall not include the activities undertaken in pursuance of normal course of business of the Company. CSR Committee may recommend such projects at beginning or at regular intervals during the financial year.

d) Sanction and Disbursement of Funds:

The Board of Directors upon approval may sanction CSR Funds to such Projects / Programs to be undertaken and disburse the funds to the Implementing Agency so appointed for undertaking the CSR Project. Alternately, CSR Funds may be sanctioned to the Beneficiary Individual / Hospital / Academic Institutions / Such Body which is falling under Criteria and has approached to BENZO CHEM directly.

6. MONITORING AND REPORTING FRAMEWORK –

The Company will set in place monitoring and evaluation mechanisms so as to ensure that every CSR program has:

- a) Clearly defined objectives, targets and time lines.
- b) A progress monitoring system, a reporting framework and system in alignment with the applicable Act and Rules.

a) Periodic Reviews:

BENZO CHEM's CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities of the Implementing Agencies in compliance with the Act. CSR Committee can call for newsletters, publications, mailers, periodic reports and such other documentary evidences that may be required on periodic basis from the appointed Implementing Agencies.

b) Visits to Project Area / Implementing Agency Office:

Additionally, in case need is felt to check or investigate into the affairs of Appointed Implementing Agency; BENZO CHEM's CSR Committee shall pay special visit to the areas of CSR Projects and ensure that funds spent on CSR programs are creating the desired impact. In case the projects are of longer duration, periodic visits can be arranged to such



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areas. Visits can also be arranged to the office of such Appointed Implementing Agency as may be required.

c) Submission of Annual Report to Board:

CSR Committee shall submit a report to Board of Directors, for the financial year ending on 31st March, every year. Such report shall consist of the details of the CSR Projects / Programs undertaken and their status along with the brief of the Implementing Agency which has undertaken such project / program.

d) CSR Reporting in Board Report:

Such Annual Report on CSR submitted by the CSR Committee shall form Part of Board Report. Board of Directors is required to ensure proper reporting of CSR Activities in its Report.

7. CSR BUDGET AND ALLOCATION –

a) Annual CSR Budget:

For achieving its CSR objectives through implementation of CSR Projects, BENZO CHEM will allocate, in every financial year, CSR Funds (hereinafter referred as "Annual CSR Budget") i.e. the funds for expenditure on CSR projects of the Company. Following shall form part of Annual CSR Budget:

- i) Amount Calculated as Two Percent (2%) of the average net profit before tax of the Company made during the three financial years immediately preceding the concerned financial year.
- ii) Any Income / Surplus arising from CSR Projects accumulated in preceding financial years. Such Income / Surplus arising out of the CSR Projects shall not become part of the business profit of the Company.
- iii) Donations received by the Company from any sources exclusively for CSR Projects.
- iv) Any unspent / unutilized Amount of a particular year will be carried forward to the following year as Unspent CSR Fund. Such amount shall not be considered while calculating the minimum amount of expenditure for CSR Spending (i.e. 2% of Average Net Profit before Tax) for the concerned financial year.

b) Allocation:

The CSR Committee shall recommend the annual budgeted expenditure project wise to the Board for its consideration and approval. Any income arising out of CSR projects or activities approved by the Board shall not form part of the business profit of the Company and shall only be allocated to future CSR projects or activities.

8. RESPONSIBILITIES OF THE BOARD OF DIRECTORS –

The Board of Directors of Benzo Chem Industries Private Limited will be responsible for:

- i) Forming a CSR Committee comprising of Directors as member of such Committee. Appointment and Removal of Member of CSR Committee, at times, if required shall be sole discretion of the Board of Directors of the Company. The Board may also at its discretion, vary the composition of the CSR Committee, its role, powers, functions and duties, as it consider fit from time to time.



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- ii) Approving the CSR Policy after taking into account the recommendations made by the CSR Committee. Board may also on its own discretion make amendments from time to time if so required to the CSR Policy.
 - iii) Hosting of such approved CSR Policy Company's website.
 - iv) Ensuring that if the Company makes profits, then the Company shall in each financial year spend minimum amount (i.e. 2% of the average net profit before tax during the three immediate preceding financial years) for CSR Projects as specified in the said Act and Rules.
 - v) Ensuring that in every financial year, funds committed by the Company for CSR activities are utilized effectively and implementation is regularly monitored.
 - vi) Disclosing in its Report the names of CSR Committee members and ensure annual reporting of its CSR activities on the Company website.
 - vii) Ensuring annual reporting of CSR spending to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.
 - viii) Ensuring that only the activities as included in CSR Policy of the Company are undertaken by the Company.

9. CSR COMMITTEE –

A. Constitution:

The Committee will be established by Resolution of the Board of Directors of the Company (the "Board") and is to be known as the Corporate Social Responsibility (or CSR) Committee.

B. Composition of the CSR committee:

- a) The CSR Committee shall consist of three or more Directors as Member of the Committee which will be appointed by the Board.
- b) Among these appointed members, one shall act as Chairman of the CSR Committee. The Board shall decide who will act as Chairman and appoint him accordingly and shall decide his or her period of office.
- c) At will Members can tender their resignation from CSR Committee by giving written notice of one month to Board of Directors.
- d) The CSR Committee may invite the Managing Director, Whole Time Director, Director, Company Secretary of the Company (other than those who are members of the Committee) or any other person as they may deem fit to attend meetings of the CSR Committee when required notwithstanding that they are not members of the CSR Committee.

C. Responsibility of CSR Committee:

- Formulate and recommend to the Board, a CSR policy, inclusive of the details and specifications as required under the Companies Act, 2013 read with CSR Rules;
- Review/ monitor the CSR Policy from time to time and, as and when required, suggest amendment(s) for Board's consideration;



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- Make recommendations to the Board and seek approval, regarding the expenditure to be incurred on each of the CSR projects to be undertaken by the Company, relating to the CSR Activities;
- Ensure optimum utilization of CSR Funds for CSR projects relating to CSR Activities, bearing in mind that as per proviso to section 135 (5) of the Companies Act, 2013 Company is required to give preference to the local area(s) around which it operates for spending the CSR Funds;
- Ensure that CSR projects undertaken by the Company, fall within the purview of the CSR Activities, as provided in the CSR Policy and under the applicable law;
- Institute a transparent monitoring mechanism for ensuring implementation of CSR projects undertaken or proposed to be undertaken as CSR Activities;
- Review and Monitor progresses of CSR Projects.
- Implementation and monitoring of CSR Policy so as to ensure that it is in compliance with the Company's CSR mission and objectives;
- Constitute sub-committees for implementation of the CSR Policy or any part thereof, if required;
- Consider that the CSR projects focus on integrating business models with social and environmental priorities and processes in order to create shared value;

D. Terms of Reference for the CSR Committee:

a) Quorum

Quorum shall be two members personally present at the meeting. A duly convened meeting of the CSR Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the CSR Committee.

b) Voting at Meetings

No one other than the CSR Committee Chairman and other members is entitled to vote at a meeting of the CSR Committee.

c) Secretary

The Company Secretary shall act as the secretary of the CSR Committee and shall keep a record of the membership of and the dates of any changes to the membership of the CSR Committee. Company Secretary shall be responsible to record the minutes of the Meeting.

d) Meetings

Meetings shall be held at such times as the CSR Committee deems appropriate, and in any event shall be held not less than two times in a year.

e) Proceedings

- i) Unless varied by these terms of reference, meetings and proceedings of the CSR Committee will be governed by the Companies Act, 2013 and rules made there under and specifically 'Companies (Corporate Social Responsibility Policy) Rules, 2014' and Company's Articles of Association regulating the meetings and proceedings of Directors.
- ii) Meetings of the CSR Committee shall be summoned by the Company Secretary at the request of the Chairman or any member thereof.
- iii) The Secretary shall record the proceedings and resolutions of meetings of the CSR Committee and shall circulate the minutes of such meetings to all members of the



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CSR Committee, the chairman of the Company, the Managing Director of the Company and the Chief Financial Officer and, if the Chairman so decides, to all members of the Board. In the absence of the CSR Committee Chairman and/or an appointed deputy, those members present shall elect one of them to chair the meeting.

f) CSR Activities

CSR Activities shall be Activities as specified in Schedule VII of the Companies Act, 2013 amended from time to time read with 'Companies (Corporate Social Responsibility Policy) Rules, 2014.

g) Authority to investigate

- The CSR Committee may be authorized by the Board at the expense of the Company to investigate any matter within its terms of reference. It is authorized to seek any information that it requires from any employee in order to perform its duties and all employees are directed to cooperate with any requests made by the CSR Committee.
- The CSR Committee may be authorized by the Board at the expense of the Company to obtain external professional advice and to secure the attendance of third parties with relevant experience and expertise at meetings of the CSR Committee if it considers this necessary.
- The CSR Committee shall have all authority necessary or implied in order to carry out its duties and responsibilities. Without limitation to the generality of the foregoing, the Committee shall have the authority to engage (including authority to approve fees and other retention terms) and terminate the engagement of any Social Responsibility consulting firm engaged to provide data or recommendations with respect to Social Responsibility.
- The Company shall provide and make available to the Committee, as it may determine, funds for undertaking CSR activities and to pay compensation to any advisers employed by the Committee.

h) Processes

In carrying out its responsibilities, the Committee's policies and procedures shall remain flexible in order to react to changing conditions and circumstances. These terms of reference may be amended from time to time as required, subject to approval by the Board of Directors of the Company.

10. DISCLAIMER –

This policy is valid only for Benzo Chem Industries Private Limited and covers head office and all factory locations and is valid without a signature. The intended use is for Private Circulation only.