

CSR POLICY OF BOLAS AGRO PRIVATE LIMITED

1. **CONTEXT:**

Bolas Agro Private Limited (‘the Company’) has adopted Corporate Social Responsibility Policy (‘CSR’) at its Board Meeting held on April 10, 2021. The Company has adopted “CSR” initiatives so as to attain a sustainable economic performance, environmental and social stewardship. Company works towards removing malnutrition, improving healthcare infrastructure including sports and sporting infrastructure, supporting education, rehabilitating abandoned veterans, women and children, funding research and development and preserving Indian art and culture. The Company’s focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

2. **OBJECTIVES:**

Company’s CSR Policy intends to:

- Strive for economic development that positively impacts the society at large.
- Embrace responsibility for the Company’s actions and encourage a positive impact through its activities on education, hunger, poverty, malnutrition, environment, communities, stakeholders and the society.
- And to contribute systematically towards social issues.

3. **FOCUS AREAS:**

In accordance with the requirements under the Companies Act, 2013, Company’s CSR activities will focus on:

Hunger, Poverty, Malnutrition and Health: Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.

Education: Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects.

Setting up old home ages and day care centres: Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

Environmental Sustainability: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining the quality of soil, air and water.

National Heritage, Art and Culture: Protecting 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

Armed Forces Veterans, war widows: Measures for the benefit of armed forces veterans, war widows and their dependents;

Rural Sports, Paralympic and Olympic sports: Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

Prime Minister's National Relief Fund: Contributing 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

Technology incubators with academic institutions: Contributions or fund provided to technology incubators located within academic institutions which are funded by the Central Government, State Government or Public Sector Undertaking or any agency of the Central Government, State Government or Public Sector Undertaking.

Rural Development Projects: Rural development projects.

Slum Area Development: Slum area development.

Disaster Management: Disaster management, including relief, rehabilitation and reconstruction activities.

Any other areas as mentioned in Schedule VII of the Companies Act, 2013 as may be decided by Board of Directors from time to time.

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

4. IMPLEMENTING AGENCY FOR CSR ACTIVITIES

The Company will undertake its CSR activities, either by itself or through other entity/organization as approved by the Board in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules).

(1) The Implementing Agency (IA) shall be –

- (a) 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 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) 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
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) 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.

The IA shall be registered with the Central Government for undertaking CSR Activities as prescribed under the CSR Rules and the registration shall be verified to be current.

The CSR Committee may appoint the IA to assist with the various aspects of implementation of this CSR Policy including but not limited to identifying eligible projects, submitting CSR Proposals, conducting due diligence of parties involved in the implementation etc. from time to time as approved by the CSR Committee and the Board.

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

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 in accordance with the CSR Rules.

The Chief Financial Officer (CFO) appointed under Section 203 of the Act or in his absence the Head of Finance shall certify to the Board annually that the CSR funds disbursed by the Company have been utilised for the purposes and in the manner as approved by the Board or CSR Committee.

5. CSR COMMITTEE

(a) Constitution and composition of the CSR Committee:

The CSR Committee shall be constituted by the Board, subject to the provisions of the Companies Act 2013 and CSR Rules, comprising 4 (Four) Members of the Board.

The CSR Committee currently shall consist of the following directors as Chairman/members:

- Mr. Bola Rajesh Kamath as Chairman of the Committee
- Mr. Bola Damodar Kamath as Member of the Committee
- Mr. Bola Rahul Kamath as Member of the Committee
- Mrs. Shubha Kamath as Member of the Committee

Subject to the requirements of the Act, the Board may increase or decrease the size of the CSR Committee by passing a resolution.

In the absence of Mr. Bola Rajesh Kamath, the members of the CSR Committee shall elect one among them as the Chairman of the Committee.

(b) 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 endeavour 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 shall have a casting vote.
- All decisions of the Committee shall be ratified by the Board.

(c) Meeting of the CSR Committees:

- The CSR Committee shall meet as frequently as it determines necessary but at least once annually.
- The quorum for the meeting of CSR Committee shall be 2 (two) members.
- 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.

6. EXECUTION AND RESOURCES FOR THE CSR ACTIVITIES:

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 included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of the Act.

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, the Company shall 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 average net profit of the Company shall be calculated in accordance with section 198 of the Companies Act 2013.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company but shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company or transferred to any Fund

specified in Schedule VII, within a period of six months of the expiry of the financial year.

The Board shall ensure that the administrative overhead shall not exceed five percent of total CSR expenditure of the company for the financial year. CSR expenditure shall include all expenses for projects or programs relating to CSR activities approved by the Board on the recommendation of CSR Committee including contribution to corpus of any IA.

(a) The CSR Fund shall comprise of the following:

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

The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR activities or programs undertaken by The Company.

(b) Unspent CSR Fund

Where any amount is remaining unspent in any financial year and is related to other than ongoing project, the company shall transfer such unspent amount to one or more funds specified in schedule VII within six months from the end of financial year.

Where any amount remaining unspent in any financial year is related to any ongoing project, such amount shall be transferred to special account opened by the company “unspent Corporate Social Responsibility account” within 30 days from the end of the financial year. Such amount shall be spent by the company within 3 years from the date of transfer. Failing which the Company shall transfer the same to one or more funds specified in schedule VII within a period of 30 days from the completion of the third financial year.

(c) Excess CSR Expenditure

If it is reported that in any financial year the Company has spent in excess of the statutory requirement for CSR Activities, then such excess amount may be, subject to recommendation of the CSR Committee and approval of the Board, set off against future CSR obligations in accordance with CSR Rules.

(d) Capital Asset

If the CSR Activities of the Company leads to creation or acquisition of a capital asset, then such capital asset shall be held by/transferred to –

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

7. LOCATION OF CSR EFFORTS:

The CSR committee will decide on the locations for CSR activities. However, company will give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

8. RESPONSIBILITIES OF THE COMMITTEE:

The responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken
- Recommending the amount of expenditure for the CSR activities, and
- Monitoring CSR activities from time to time

The following process shall be followed in identifying and approving CSR projects.

(a) Annual Action Plan

In the first quarter of every financial year where there is CSR Fund (as defined herein below) available, the CSR Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of this CSR policy, which shall include the following, namely: -

- (a) the list of CSR projects or programmes that are approved to be undertaken in the Focus Areas for the year;
- (b) the details of the IA executing the Company CSR projects or programmes, if any;
- (c) the details of utilisation of CSR Fund, implementation schedules, monitoring/reporting mechanism for the Company CSR projects or programmes for the year;
- (e) details of impact assessment, if any, for the Company CSR projects during the year:

The Board shall review and approve the Annual Action Plan and may also alter such plan if deemed appropriate during the financial year.

FUNDING, SELECTION AND MONITORING PROCESS:

The CSR Committee and the Board will follow the below process for all CSR Activities, projects and programs undertaken by the Company.

(b) Identification Of CSR Projects:

The CSR Committee may identify and receive CSR project proposals from an IA in line with Focus Areas as set out herein above.

CSR proposals received from the IA shall include the following:

- (i) information about the IA and projects that they have undertaken in the past three years;
- (ii) Proven track record of the IA for the past 3 (three) years in the area of project activity that it has been nominated for.
- (iii) Information of the CSR project and the activities that the IA proposes to undertake in relation to which funding is sought from the Company;
- (iv) detailed budget indicating various heads under which expenditure is proposed to be made and the quantum of such expenditure;
- (v) The impact of the activities that are proposed to be conducted;
- (vi) Any other information that may be material for the CSR Committee to make an informed decision on supporting the project. Such information may include but is not limited to relationships that the Organization (directors, employees, etc.) may have with any Employee of the Company;

Upon receipt of proposals, the CSR Committee shall conduct appropriate due diligence of the CSR proposal and the IA either directly or through external organizations and/ or entities to ensure alignment with this CSR Policy and to ascertain the following:

- (i) Relevance of the CSR proposal to the Focus Areas.
- (ii) Appropriateness of project financials, the budget and timelines.
- (iii) Impact on targeted beneficiaries.
- (iv) Is the CSR activity permitted under the Act and Rules and covered under the Focus Areas.
- (v) Whether the CSR proposal has any direct or indirect benefit to The Company or its employees or is there any conflicts of interest;
- (vi) Whether the CSR proposal has any political or religious affiliation;

(c) Approval Process:

- (a) Upon receipt of the CSR proposal, the CSR Committee shall evaluate the same in accordance with this policy.
- (b) The CSR Committee may take such time as it deems necessary to deliberate and come to a conclusion regarding a CSR Proposal. The CSR Committee may, approve or decline a CSR Proposal.
- (c) All Funding to IA must be approved in advance by the CSR Committee and the Board and such approval shall be obtained prior to making any commitment to the IA in this regard.
- (d) Subsequent to the approval of the CSR Proposal by the CSR Committee, the CSR Proposal shall be placed before the Board together with the recommendations of the CSR Committee for its consideration and approval. The Company will provide Funding only to such projects as may be approved by the Board.

(d) Post Approval Process:

Subsequent to the approval of the CSR Proposal by the Board, The Company and the Organization shall enter into appropriate documentation regarding the terms of the Funding and the manner in which such Funding shall be disbursed by The Company. Such documentation shall be in a form and substance that is acceptable to the CSR Committee and the Board.

Company's representatives or such other entity which were identified by the CSR Committee will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee periodically.

MONITORING:

(1) IA receiving CSR 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 along with impact assessment reports, if any, shall be tabled before the meetings of the CSR Committee and Board, periodically.

(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.

(5) When the CSR expenditure of the Company is Rupees Ten crore or more in the three immediately preceding financial years, then Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rupees one crore rupees or more, which projects were completed not less than one year before undertaking the impact study. The expenditure, if any, towards impact assessment may be booked towards Corporate Social Responsibility for that financial year, and the said expenditure shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

9. REPORTING AND DISPLAY OF CSR ACTIVITIES MECHANISM

The Company shall publish its annual report on CSR Activities in its Directors Report along with impact assessment reports, if any, in the manner prescribed under the Companies Act 2013 and the CSR Rules.

The CSR policy along with projects and composition of the CSR committee will also be available on The Company's website.

If in case the Company fails to spend the CSR Fund for a year, the Board shall, in its report above, specify the reasons for not spending the prescribed amount.

10. AMENDMENT: -

Any modification/amendment in the CSR policy may be carried out by the CSR Committee in consultation with the Board of Directors of the Company. The policy will be subject to change as per Government Guidelines and Regulations.

11. EFFECTIVE DATE

This policy is effective from 01 April 2021

12. CONTACT

For queries related to the CSR Policy, please write to us at csr.bapl@gmail.com or mail@bolas.co.in