



NARMADA BIO-CHEM LIMITED

(CIN: U24219GJ2001PLC039235)

CORPORATE SOCIAL RESPONSIBILITY POLICY

❖ **PREAMBLE:**

Narmada Bio-Chem Limited (“the Company”) believes that the growth of India is directly related to the growth of the rural areas. Farmers being the central focus of rural India, and farming being the main profession, it becomes necessary to give them a helping hand by providing them with top-of-the-line agricultural inputs and services and also contributing in the welfare of other ancillary rural aspects. With this as a core initiative, the Company has been serving the farming community for over one & half decades.

Pursuant to the Section 135 of the Companies Act, 2013 (“the Act”) read with the Companies (Corporate Social Responsibility Policy) Rule, 2014, the Company is required to adopt the Corporate Social Responsibility (CSR) policy (“Policy”) in the organization to add sense of responsibility and contribution among corporate, which is expected to be beneficial to different classes of people in the society.

Though this policy has been formally formulated and adopted in terms of Section 135 of the Companies Act, 2013, and the CSR Rules to undertake CSR Activities, the Company right from its inception, has made consistent efforts to maintain an active corporate social responsibility portfolio.

❖ **OBJECTIVE:**

The Company is committed to enhance value creation in the society in which it operates, through its service, conduct, business practice and social initiatives. The objective of the policy is to contribute positively towards sustainable and inclusive growth of the society with focus on India's most pressing development challenges as highlighted under schedule - VII of the Companies Act, 2013 and as amended from time to time.

This Policy shall also aim to ensure an increased commitment at all levels in the organization, by encouraging employees to participate in the Company’s CSR and give back to society in an organized manner through the employee volunteering programmes. It shall further encourage the Company to set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

❖ **CSR ACTIVITIES / PROJECTS:**

The activities of the Company will generally be in consonance with the Schedule - VII of the Companies Act, 2013 as under:-

- ✓ 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 and 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 group;
- ✓ 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 building and sites of historical importance and work of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- ✓ Measures for the benefit of armed forces veterans, war windows and their dependents;
- ✓ Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- ✓ Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for social-economic development and relief and welfare of the Scheduled caste, the Scheduled Tribes, other backward classes, minorities and women;
- ✓ Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- ✓ Rural development projects
- ✓ Slum area development
- ✓ Swachh Bharat Abhiyan, Swachh Vidhyalaya, construction of toilet facility and connected infrastructure facilities, contributions to Swachh Bharat Kosh, Clean Ganga Fund or such other funds set up by the Government and any other programme promoting sanitation, sewerage, toilet facilities, etc.

The CSR projects and programmes will be identified and funds shall be allocated on a yearly basis, as per the need assessment, specific to the location, target beneficiary and agency partnering for implementation and shall be executed in a phased manner.

❖ **BUDGET:**

The Company shall ensure that in each financial year the Company spends at least 2% of the average net profit made during the three immediately preceding financial years. All the expenditure towards the programs shall be diligently documented. In case the Company is not able to spend its minimum CSR obligation in any financial year, it shall report reasons for the same in Directors' Report.

Any surplus generated out of the CSR activities shall not be added to the normal business profits of the Company.

❖ **AREA IDENTIFICATION:**

The Company will give preference to the local areas where it operates and areas around it for spending the amount earmarked for Corporate Social Responsibility activities. This will include nearby areas/villages that normally fall within a reasonable radius from its areas of operations. The area coverage will be gradually expanded in a manner that it benefits the community at large.

❖ **PROJECT & PROGRAMME IDENTIFICATION:**

The Company shall identify the projects or programme through either of the following ways:

- ✓ Internal need assessment by cross-functional team at the local level.
- ✓ Receipt of proposal/request from District Administration/Local Government agency/NGOs
- ✓ Discussions and request from Local representatives/ Civic bodies/ Citizens forums/other agencies in the areas of operations.
- ✓ Receipt of proposal/request from State or Central Government.
- ✓ Receipt of proposal/request from any Trust, Society or Company registered under Section - 8 of the Companies Act, 2013.
- ✓ Identified by studies carried out by Independent professional institution or agencies hired by the Company.
- ✓ Any other means or source as may be deemed fit.

❖ **IMPLEMENTATION STRATEGY:**

The amount earmarked for CSR shall be spent by the Company by itself or through Partnership as may be decided by the Board as follows:

➤ **Direct Implementation:**

The Company may directly conceptualise the CSR projects or programmes and execute directly through a team of professionals for such suitable activities.

➤ **Indirect Implementation:**

The Board may decide to undertake the CSR activities through:

- ✓ a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise subject to following conditions:
 - If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
 - The company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism; (or)

- ✓ Collaboration with other companies in such manner that the CSR Committees of respective companies are in a position to report separately on such CSR activities in accordance with CSR Rules.

❖ **MONITORING, EVALUATION & REPORTING :**

The administration of the CSR Policy and the execution of the identified CSR projects, programs and activities under it shall be carried out under the overall suprintendence and guidance of the CSR Committee. The Board shall also from time to time evaluate and analyse the CSR activities being undertaken under this policy and also review the effectiveness of the Policy. The Board shall disclose the relevant contents and information pertaining to CSR activities and expenditure in the Directors' Report annually.
