

## **CSR POLICY OF THE COMPANY**

### **Preamble:**

The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Government alone will not be able to get success in its endeavour to uplift the downtrodden of Society with the rapidly changing Corporate environment, more functional autonomy etc. Oriental Aromatics Limited (OAL) has adopted CSR as a strategic tool for sustainable growth. For OAL in the present context, CSR means not only investment of funds for social activity but also integration of Business Process with Social Process.

### **Terms of Reference:**

Reference within these terms of reference to:

- “AGM or Annual General Meeting shall mean any annual general meeting of the Company.
- “the Board” shall mean the board of directors of the Company.
- “the Committee” shall mean the Corporate Social Responsibility Committee.
- “the Nominations Committee” shall mean the nominations committee of the Company.

### **1 Purpose**

The role of the Committee is to assist the Board in obtaining assurance that appropriate systems are in place to deal with the terms of CSR Policies.

#### **1.1 Areas to be Covered (CSR Activities/Programmes)**

The Company covers “Educational Activities” in compliance with Schedule VII (ii) of the Companies Act, 2013, ‘promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects’ and may undertake any such other activity/activities as specified in Schedule VII of the Companies Act, 2013, duly approved by the Board upon the recommendation of Corporate Social Responsibility Committee.

#### **1.2 Implementation**

The Company is implementing such activities by contributing in Non-Profit making Company, Keshavlal V. Bodani Education Foundation, section 25 Company, registered under Companies Act, 1956, incorporated on 11th October, 2010 with the objective of promoting and undertaking social activities by establishing and functioning of institutions engaged in providing education, therapeutic/rehabilitation services, and research for children and adults with and without disabilities.

#### **1.3 Governance**

Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

At the end of every financial year, the CSR Committee will submit its report to the Board.

#### **1.4 CSR Expenditure**

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

#### **2 Membership of CSR Committee**

2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nominations Committee and shall be made up of at least 3 Directors, including atleast one Independent Director.

2.2 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director remains independent.

2.3 The Board shall appoint the Committee Chairman who shall be a director of the Company.

In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their members present to chair the meeting.

2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other directors may be invited to attend all or part of any meeting as and when appropriate.

2.5 The Committee shall engage specialists with appropriate technical expertise to be members of and/or attend meetings of the Committee on a regular basis.

2.6 Only members of the Committee are entitled to vote at meetings of the Committee.

2.7 Initial members of the Committee shall be:

- (i) Mr. Shyamal A. Bodani as Chairman;
- (ii) Mr. Harshvardhan Piramal as Member and
- (iii) Ms. Amruda Nair as Member

#### **3 Secretary**

3.1 The Company Secretary or his/her nominee shall act as the Secretary of the Committee.

#### **4 Quorum**

4.1 The quorum necessary for the transaction of business shall be 2 members. A duly convened meeting of the 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 Committee.

#### **5 Frequencies of Meetings**

5.1 The Committee shall meet at least once a year and otherwise as required. Ad-hoc meetings may be held from time to time.

#### **6 Notices of Meetings**

6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of the Committee, any other person required to attend and all other directors, before the date of meeting. Any of those persons shall be entitled to request that items may be added to the agenda for discussion. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **7. Minutes of Meetings**

7.1 The Secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.2 Minutes of Committee meetings shall be circulated promptly to the Chairman of the Committee in the first instance, then all members of the Committee and, once agreed, shall be promptly circulated to all members of the Board.

## **8. Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting and should be prepared to respond to any shareholder questions on the Committee's activities.

## **9. Functions of CSR Committee**

The Committee should carry out the below functions for the Company:

9.1 To consider and propose an Annual Budget for CSR Activities to the Audit Committee and Board for approval

9.2 To evaluate the effectiveness of policies and recommend the amount of expenditure to be incurred on such CSR activities

9.3 To review the results of implemented policies in terms of educational activities and review any strategies and action plans developed by management in response to issues raised and, where appropriate make recommendations to the Board concerning the same.

9.4 To ensure that the Company's website communicates and reports its CSR approach and performance in a timely, complete and coherent manner;

9.5 The Committee shall have access to sufficient resources in order to carry out its duties, including access to professional technical expertise in the areas within its remit and the assistance of the Company Secretary as required.

9.6 The Committee should consider such other matters as the Board may from time to time refer to it.

## **10. Reporting Responsibilities**

10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10.3 The Committee shall make a statement in the annual report about its activities

## **11. Authority**

11.1 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference and secure the attendance at its meetings of outsiders with relevant experience and expertise if it considers this necessary.

**Conclusion**

The above guidelines would form the framework around which the CSR activities would be undertaken. CSR Committee will review the Policy from time to time based on regulatory requirements and changing needs and aspirations of target beneficiaries and make suitable modifications, as may be necessary.