

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**Version no.: CSR/2021-22/01****Adopted on: 29th June, 2021****1. INTRODUCTION:**

As a good corporate citizen, Bhartiya International Limited (“the Company”) understands the significance of inclusive growth and wellbeing of all the stakeholders, including the society at large and nature around it. As we all derive economic benefits for us from the society and nature around us, it is quite pertinent, fair and rational to pay back something to the society and the nature. The Company, being a corporate citizen, is not immune to it. Your Company has been taking various initiatives under Corporate Social Responsibility (“CSR”) for society at large, well before it was statutorily mandated. The Board of Directors (the “Board”) of the Company has adopted this policy and procedures with regard to CSR. This policy may be reviewed and revised by the Board of Directors, from time to time, subject to the recommendations of Corporate Social Responsibility Committee.

2. OBJECTIVE:

This Policy outlines the broad approach and direction of the Board of Directors towards Corporate Social Responsibility and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan and the areas or subjects in which Company shall undertake those activities, as approved by the Board on recommendation of the CSR Committee of the Board constituted under Section 135 of the Companies Act, 2013, from time to time.

3. SCOPE AND APPLICABILITY

The Corporate Social Responsibility (CSR) Policy has been developed in conformity with the provisions of Section 135 and Schedule VII of the Companies Act, 2013 (“the Act”) and in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

The CSR activities shall be undertaken by the Company, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding the followings:

- a. Activities undertaken in pursuance of its normal course of business of the Company;
- b. Any activity undertaken by the company outside India excluding training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- c. The activities which are exclusively for the benefit of the Company employees as defined in clause (k) of Section 2 of the Code on Wages, 2019;
- d. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- e. Sponsorship activities supported by the Company for deriving marketing benefits for its products or services;
- f. Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

4. SELECTION, IMPLEMENTATION AND MONITORING OF CSR ACTIVITIES:**Selection:**

Subject to the approval of the CSR projects by, and other statutory obligations of, the Board of Directors, the CSR committee of the Board constituted under Section 135 of the Companies Act, 2013 (“CSR Committee”) shall be responsible for the selection, implementation and monitoring of CSR activities of the Company.

- (a) The selection of various activities for CSR purpose, shall be strictly as per the provisions of Section 135 of the Companies Act, 2013 (“the Act”) read with Schedule VII thereof and rules made thereunder.
- (b) The Company may, for its CSR purpose, undertake any activity covered under Schedule VII of the Act as may be amended from time to time.
- (c) While selecting various activities, preference shall be given to the local area and areas around the locations/plants/offices from where the Company operates; however, in appropriate cases, other areas may be considered for undertaking CSR activities.
- (d) CSR activities shall be selected so as to reach maximum number of beneficiaries, preferably to the under-privileged sections of the society which promote improving standard of life or education or which promote protection, preservation and sustenance of environment and other common assets of the society.
- (e) CSR activities shall be chosen in a way, the implementation and impact of which could be assessed in measurable terms.

Implementation:

- (f) The CSR activities shall be implemented on a program or project basis.
- (g) For convenience of proper implementation and monitoring, the programs or projects shall preferably be for a short duration, not exceeding 1 (One) year. However, in appropriate cases, for programs or projects which are to be implemented on a sustainable basis, may be undertaken for a period longer than 1 year. However, in such a case, on the recommendation of the CSR Committee, the Board of Directors shall approve such program/project as an Ongoing Project as defined under Rule 2(i) of the Companies (CSR Policy) Rules, 2014 as amended from time to time and all regulatory requirements pertaining thereto shall be complied with.
- (h) Various projects/programs as approved by the Board of Directors preferably be implemented by the Company itself. However, in appropriate cases programs/projects may be implemented through one or more implementing agencies.

Further, the Company may, subject to compliance of statutory requirements, collaborate with other entities to jointly undertake any CSR program/project in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes.

The Company may engage International Organizations (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014) for designing, monitoring, and evaluation of CSR Projects as well as capacity building of their personnel.

Monitoring:

- (i) The CSR Committee shall be primarily responsible for the monitoring the implementation of various program/projects. The CSR Committee may assign one or more officials of the Company for day to day monitoring of various activities and expenses of CSR programs/projects.
- (j) The CSR Committee shall ensure that the CSR funds disbursed are appropriately spent to achieve the broad objective of the programs/projects and further to ensure that the programs/projects do not normally overshoot the budgeted spending or the timeline.

On-going Project

“On-going Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include the project that was initially not approved as a multi-year projects but whose duration has been extended beyond one year by the board based on reasonable justification.

5. CSR ANNUAL ACTION PLAN

The Annual Action plan of CSR Activities to be carried out during a financial year shall be formulated by the CSR Committee and shall be recommended to the Board for the approval. The Board of Directors on recommendation of the CSR Committee may alter the plan at any time during the financial year, based on recommendation of CSR Committee.

6. CSR COMMITTEE

Subject to statutory requirements, the Board of Directors shall be empowered to constitute, reconstitute or dissolve the CSR Committee of the Board. The CSR Committee shall be constituted and chaired, and shall function as per the provisions of Section 135 of the Act and rules made thereunder and in terms of this Policy. The Committee shall consist of three or more Directors amongst whom at least one shall be an Independent Director. The CSR Committee shall meet as many times as it consider necessary; however, it shall meet at least twice in every financial year.

Roles of CSR Committee shall inter-alia include:

- (a) The CSR Committee shall advise and recommend from time to time various activities which may be undertaken as CSR projects/programs, to the Board for its approval. It shall also suggest/recommend to the Board the areas, tenure, quantum of funding, implementing agency of any CSR program/project;
- (b) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (as amended from time to time).
- (c) Formulate and recommend an annual action plan in pursuance of this Policy in terms of Rule 5(2) of Companies (CSR Policy) Rules, 2014.
- (d) It shall also suggest/recommend revision, if any, needed in the CSR Policy of the Company or any other aspects of CSR.
- (e) The CSR Committee shall recommend the amount of expenditure/CSR budget to be incurred on CSR projects/programmes/activities as well as regularly report and make recommendations to the Board.
- (f) To recommend Annual Report on CSR activities.
- (g) Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company and as may be mandated by the Board of Directors of the Company.

If the Annual CSR statutory obligation does not exceed Rs. 50 lacs, the board of the Company may dissolve the CSR committee and shall discharge the above and/or such other roles and responsibilities, as may be required for the purpose of CSR.

7. ROLE OF BOARD OF DIRECTORS

The Board will oversee and ensure adherence to the requirements of CSR provisions in terms of Section 135, read with Schedule VII of the Companies Act, 2013 and rules made thereunder as may be in force, from time to time.

8. REPORTING & DISCLOSURE

Status on current and proposed CSR activities of the Company, shall periodically be presented to the CSR Committee of the Board, The impact assessment reports, if any shall be placed before the Board and shall be annexed to the annual report on CSR activities. The Board and the CSR Committee must approve and provide in its Board Report on an annual basis, the annual report on the CSR activities after the end of each financial year.

The Company shall make disclosure of its CSR Policy, Projects/Programs/activities approved by the Board, as well as the composition of the CSR Committee of the Board and such other details, as required under the Act from time to time on Company's website.

9. EFFECTIVE DATE

This policy supersedes the previous CSR policy and will be effective from 1st April, 2021.

Any subsequent amendment/modification in regard to CSR provisions/rules notified by the Ministry of Corporate Affairs, shall automatically apply to this Policy. In case any provision(s) of this CSR Policy is contrary to or inconsistent with the provisions of the Act and the Rules framed thereunder ("Statutory Provisions"), the Statutory Provisions shall prevail.