

CORPORATE
SOCIAL
RESPONSIBILITY POLICY



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1. Introduction

Corporate Social Responsibility (CSR) at our Company goes beyond business and extends to the implementation of socially relevant activities for the benefit of society at large.

This Policy is in keeping with the requirements of the Companies Act 2013 (“the Act”) and Companies (Corporate Social Responsibility Policy) Rules 2014.

2. Vision and Policy Statement

Corporate Social Responsibility (CSR) is the Company’s contribution to social and economic development of the local community in which we operate and to society at large. We commit to spend a minimum of 2% of the average net profits for the preceding three financial years on CSR activities. The Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities.

The CSR Committee will annually recommend the CSR programmes and projects to the Board for its approval. The activities undertaken in the normal course of business will not be a part of CSR activities.

3. Applicability

This CSR Policy has been formulated in consonance with Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) notified by the Ministry of Corporate Affairs, Government of India. This Policy shall apply to all CSR projects / programmes undertaken by the Company in India as per Schedule VII of the Act, for the time being in force.

4. CSR Budget

The CSR Committee, based on the certified calculation undertaken by an Independent Chartered Accountant and presented to the CSR Committee by the management will approve the CSR Budget for the respective financial year.

5. CSR Programmes and Projects

The Company’s commitment to CSR projects and programmes will be by investing resources into any of the following areas as prescribed under schedule VII of the Act.

1. Promoting education
2. Promoting Healthcare & Preventive Healthcare
3. Environmental sustainability, Ecological balance and conservation of natural resources.
4. Livelihood enhancement

5. Promoting art & culture
6. Renewable Energy Projects
7. Other areas approved by the CSR Committee within the ambit of CSR Rules as amended from time-to-time.

In the event of any unforeseen circumstances such as earthquakes, floods, tsunamis etc. the CSR Committee may decide to support CSR initiatives through NGOs under the project program model and covered under the schedule VII of the Act relating to CSR activities.

The Company's CSR projects and programmes will be implemented through public charitable trusts, not-for-profit companies set up under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Act), through recognized and reputed NGOs and similar entities. The CSR projects and programmes may also be undertaken by Bhilosa Industries Pvt. Ltd. directly.

6. Implementation

The Company's CSR programmes will be identified and implemented according to the approved CSR Policy.

7. CSR Committee

➤ **Composition:**

- In compliance with the CSR Rules, the composition of the CSR Committee of the Board of Directors of the Company shall be as under:
 - CSR Committee of the Board of Directors will comprise two Directors;
 - Being Private Limited Company having two Directors on its Board therefore constitution of CSR Committee will be with two such Directors and
 - The Chairperson of CSR committee shall be Chairman & Managing Director of the Company.

➤ **Roles and Responsibilities:**

The Committee shall:

- Decide the CSR activities to be taken up by the Company in accordance with this Policy;
- Decide the amount to be allocated for each project or activity;
- Oversee and monitor the progress of the initiatives rolled out under this Policy; and
- Submit a report to the Board of Directors on all CSR activities undertaken during the financial year.

➤ **Frequency of Meetings:**

The Committee shall endeavor to meet at least twice in a financial year.

8. Monitoring and Reporting

- Monitoring of the CSR activities may include:
 - Reporting the Board periodically on annual budget for CSR expenditure and amount ear-marked for projects on an individual basis.
- The Budget for CSR initiatives shall be prepared in accordance with section 135 of the Act, or other statutory enactments.
- CSR Projects will be undertaken based to the best possible extent on the recommendation of the CSR Committee within the defined thrust areas.
- Project support will depend on the scale of the project and its feasibility. The CSR Committee will evaluate the project progress.
- All the identified activities will undergo pre- & post -analysis as per **Annexure 1**. The CSR report shall also be included in the Board's report as required by the Act.
- Surplus arising out of CSR activity, if any, will not form part of business profits of the Company.

- The corpus of the CSR Fund would include:
 - 2% of the average net profits of the Company made during the three immediately preceding financial years.
 - Any income arising therefrom.
 - Surplus arising out of the above activities.
- All CSR activities covered under this Policy shall be carried out within India.

9. Review of the Policy

The CSR Committee shall review the CSR Policy annually and make revisions to the same with the approval of the Board.

Annexure - 1

1. Provide a brief outline of the Company's CSR Policy including the statement of intent reflecting the ethos of the Company, broad areas of CSR interest and an overview of activities proposed to be undertaken.
2. Indicate the web-link to the CSR Policy. The Policy should include the full list of projects/activities/programmes proposed to be undertaken by the Company.
3. The composition of the CSR Committee.
4. Average Net Profits of the Company for last 3 financial years
5. Threshold Limit-(2% of this amount as in 4 above)
6. Details of CSR activities/projects undertaken during the year:
 - a. Total amount to be spent for the year: b. amount carried forward from earlier years: c. amount spent during the year as below: d. amount carried forward for the year.

1. Sr. No.	2. CSR project/activity identified	3. Sector in which the Project is covered	4. Projects/Programmes 1.Local area/others- 2.specify the state /district (Name of the District/s, State/s where project/programme was undertaken	5. Amount outlay (budget) project/programme wise	6. Amount spent on the project/programme <u>Subheads:</u> 1.Direct expenditure on project, 2.Overheads:	7. Cumulative spend upto to the reporting period.	8. Amount spent: Direct/through implementing agency*
1.							
	TOTAL						

*Give details of implementing Agency:

7. In case the Company has failed to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, please provide the reasons for not spending the amount
8. A Responsibility statement, of the CSR Committee, that the CSR Policy implementation and monitoring thereof is, in letter and spirit, in compliance with CSR objectives.

(This document was approved by the Board of directors at its Meeting held on July 08, 2014)