

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. PREAMBLE

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Industry & Business Organizations have realized that Government (National or State) alone will not be able to get success in its endeavor to uplift the downtrodden of Society and it would need them to continuously provide support to the Government in all possible manner.

Bharat Construction believes in "looking beyond business" and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence visa-vis the company's responsibilities towards the community.

2. OBJECTIVE

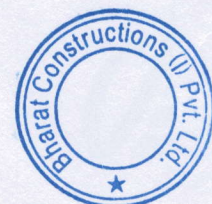
Bharat Constructions, being a responsible Corporate Citizen, recognizes that it has a moral responsibility, to contribute its share towards upliftment of the downtrodden by engaging itself with community developmental activities and has adopted CSR as a strategic tool for sustainable growth.

The Company being incorporated in 2020, is well aware of its CSR obligation as a dutiful citizen and is committed to fulfill the aspiration of the society, since the rise of its obligations & applicability of CSR provisions of the Companies Act, 2013 from April, 2021 onwards, through various CSR activities for the growth and development of the society at large.

3. DEFINITION

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re-enactments thereof.

- 3.1 "**Act**" means the Companies Act, 2013 including any statutory modification or re-enactment thereof.
- 3.2 "**Administrative Overheads**" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for



the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

3.3 **"Associate Company"** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: Significant influence means control of at least 20% of total share capital or of business decisions under an agreement.

3.4 **"Average Net Profit"** means profit calculated as per Section 198 of the Companies Act, 2013.

3.5 **"Board"** means the Board of Directors of the Company.

3.6 **"Board's Report"** shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

3.7 **"Company"** means Bharat Constructions (India) Private Limited

3.8 **"CSR"** means Corporate Social Responsibility

3.9 **"CSR activities"** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

(i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that

(a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

(ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

(iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

(iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

(v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

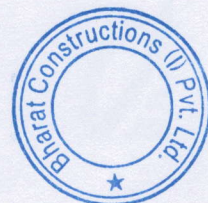
(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;



- 3.10 "**CSR Committee**" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- 3.11 "**CSR Policy**" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- 3.12 "**CSR Rules**" means Companies (Corporate Social Responsibility) Rules, 2014.
- 3.13 "**Net profit**" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act but shall not include the following namely – (i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and (ii) any dividend received from other Companies in India, which are covered under and complying with the provisions of section 135 of the Act.
- 3.14 "**Ongoing 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 such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

4. CSR ACTIVITIES

- (i) The Company shall undertake the activities as approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014:
- eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of 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, 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;
 - ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 48[including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;

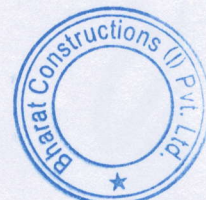


- e) protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- f) measure for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- g) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;
- h) contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;
- i) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- j) rural development projects.
- k) slum area development.
- l) disaster management, including relief, rehabilitation and reconstruction activities.

(ii) The CSR activities (either new or ongoing) shall be undertaken by the Company in accordance with this policy and shall exclude activities undertaken in pursuance of its normal course of business.

(iii) Subject to the provisions of section 135(5) of the Act, the CSR projects or programs or activities undertaken in India only shall qualify for CSR expenditure.

(iv) The CSR programs or projects or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with the Act.



(v) Contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR activity.

(vi) Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads shall not exceed five percent of total CSR expenditure of the company in one financial year.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

5. CSR Committee

The Companies mentioned in the Companies (CSR) Rules, 2014 shall constitute CSR Committee as under.-

- (i) Company which is not required to appoint an independent director pursuant to sub-section (4) of section 149 of the Act, shall have its CSR Committee without such director ;
- (ii) a private company having only two directors on its Board shall constitute its CSR Committee with two such directors.

The Corporate Social Responsibility Committee shall,—

- (a) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

However, where the CSR obligation to be spent by a company, does not exceed fifty lakh rupees is not required to constitute such Committee and the functions of such Committee in such cases, be discharged by the Board of Directors of such company. Therefore, presently we are not required to constitute a CSR Committee and all the functions and obligations of the Committee are to be discharged by the Board of Directors of the Company.

6. CSR EXPENDITURE

GENERAL OBLIGATIONS

As per the provisions of Companies Act, 2013, the Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.



SETTING OFF OF EXCESS EXPENDITURE

If the company spends an amount in excess of the requirements provided under said provisions of the Act, such company may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner as prescribed in the Act.

7. MODALITIES OF EXECUTION AND IMPLEMENTATION

The Board may decide to undertake its CSR activities approved by the CSR Committee through

- a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

8. MONITORING THE CSR POLICY

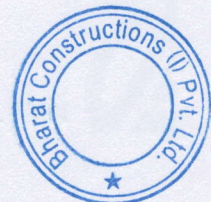
The Company is not required to constitute a CSR Committee as the threshold limit for constitution of Committee is not exceeded by the Company for the time being. Therefore, the Board shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company on a regular basis the progress of CSR activities.

Further, such monitoring of CSR activities shall be undertaken by the CSR committee when constituted in future, in accordance to the provisions of the Act.

9. REPORTING

The Board's report shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

However, if the company fails to spend such amount, the Board shall, in its report made in accordance with Section 134(3)(o) of the Act, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

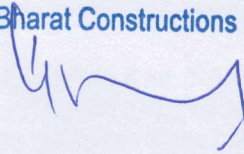


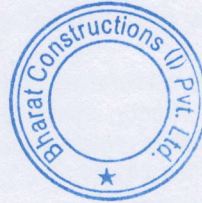


10. CONCLUSION

- CSR Policy is subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.
- The Board may review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

For Bharat Constructions (I) Pvt. Ltd.


Director



W.e.f. 15th July, 2021