

BHISHMA REALTY LIMITED - CORPORATE SOCIAL RESPONSIBILITY POLICY

Background:

While meeting the interest of our stakeholders, we believe in reaching out to underprivileged sections of the society and intend to make a positive difference to society. Through our small contribution, we aspire to improve the quality of life of the weaker sections in the society by making available some basic necessities which are not easily available to them.

Activities:

At BRL, Corporate Social Responsibility (CSR) policy has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders.

BRL's commitment towards all its stakeholders is not just in principles but in practice. The Company continues to intervene in several areas of social and environmental development that affects its community. It entails having business policies that are ethical, equitable, environmentally conscious and sensitive to the societal needs.

The Company will use funds in any one or more of the following initiatives and activities under this CSR Policy

- Eradicating hunger, poverty and malnutrition, promoting preventative health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation viz. building toilets for poor section of the society and making available safe drinking water.
- Promotion of education in particular for people in the backward area, tribals, building of schools, hostels & other educational facilities including special education and employment enhancing skills;
- 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- Social business projects;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Trailing to promote rural sports, nationally recognized sports, paralympic sports and Olympic
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for social-economic development and relief funds for the welfare of the scheduled castes, 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

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- ** Such other matters as may be prescribed under applicable laws or any other activities as may be amended from time to time by the Ministry of Corporate Affairs in Schedule VII to the Companies Act, 2013 and*
- Such other activities and initiatives as may be suggested by the Management of the Company and approved by the CSR Committee.

CSR committee may, at its own discretion modify this policy or increase the scope of the activities in any manner and at any point of time.

Definitions:

1. **Corporate Social Responsibility (CSR)** means and includes but is not limited to:
 - (i) Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 ('Act') including any amendments made from time to time or
 - (ii) Projects or programs relating to activities undertaken by the Board of Directors of a Company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of the Company subject to the condition that such policy will cover the subjects enumerated in Schedule VII of the Act.
2. **CSR Committee** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
3. **CSR Policy** relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company;
4. **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz;
 - (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 ActProvided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

Implementation:

In order to align with the provisions of Section 135 of the Companies Act, 2013 the Board of Directors of the Company have approved the constitution of CSR Committee.

**inserted with effect from 26th October, 2020*

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Composition:

- The Corporate Social Responsibility (CSR) shall consist of three or more directors.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- At BRL, the CSR Committee comprises three Directors.

Frequency of CSR Committee meetings:

The meeting of the Committee shall be held at such periodic intervals as may be required.

Voting:

- Matter arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

Role of the CSR Committee:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.
2. Identifying the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
3. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
4. Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
5. Monitor the implementation of the CSR Policy from time to time.
6. Such other functions as the Board may deem fit.

Minutes of the CSR Committee Meetings:

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

Identification of CSR Initiates and activities:

The CSR Committee may at its own discretion allocate the Annual CSR Budget in total or part of it to Registered Trusts / NGOs / Voluntary Organization.

The time period and/or duration cover which a particular CSR Initiative and Activity will be spread and depend on its nature, extent of coverage and the intended impact of the said initiative or activity which will be determined by CSR Committee.

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CSR Initiatives and Activities which involve considerable financial commitment and are undertaken on a time frame of 2-5 years will be considered as 'flagship programmes' and accorded enhanced significance.

Role of the Board:

The Board of BRL will be responsible for:

- Disclose composition of the CSR Committee and the contents of the CSR Policy in the Board Report and also place it on the Company's website in the prescribed manner, if any.
- Ensure that the activities as are included in the CSR Policy of the Company are related to the activities included in Schedule VII of the Act.
- Ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company.
- The Board of a Company may decide to undertake its CSR activities approved by the CSR Committee, 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;
Provided that –
 - (i) 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;
 - (ii) 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.
- A Company may also collaborate with other Companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee of the respective Companies are in a position to report separately on such projects or programs in accordance with the Rules.

Contribution:

- Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates,
- As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.