

BHAVYA CEMENT LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

(pursuant to the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder)

➤ **PHILOSOPHY**

At Bhavya Cements Limited (“the Company”), the Corporate Social Responsibility (“CSR”) has been an integral part of the way we have been doing our business. We have been an early adopter of the Corporate Social Responsibility (hereinafter referred to as “CSR”) initiatives. The Company has been proactively undertaking CSR initiatives even before the provisions on the Companies Act, 2013 (hereinafter referred to as “the Act”) pertaining to CSR were mandatorily applicable to the Company. The Company understands that along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth.

The Company’s CSR initiatives has played pivotal role in improving the lives of the communities and society at large and in & around our operations with an objective to energize, involve and enable them to realise their potential. This has also enabled us to fulfil our commitment to be a socially responsible corporate citizen.

➤ **OBJECTIVES**

The Company’s CSR policy intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprints;
- Embrace social responsibility for the Company’s actions and encourage a positive impact through its activities;
- to lay down guidelines to make CSR a key business process for sustainable development of the society;
- to directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities in and around our plant and society at large;
- To generate goodwill and recognition among all stake holders of the company.

➤ **RESPONSIBILITIES**

• **Towards our communities**

We will involve communities surrounding our operations to bring about a positive change in their lives through holistic, sustainable and integrated development.

• **Towards our Customers**

We will build gainful partnerships with the customers to understand their needs and provide right product and service solutions. We will adopt and actively encourage the best and fair business practices and shall endeavour to build solid bonds with them.

• **Towards our Business Partners**

We will support our suppliers to cultivate ethical and fair business practices and give preference over other to those who demonstrate this.

- **As a Corporate Citizen**

We reaffirm our commitment to conduct our business with environmental accountability. We will endeavour to adopt environment-friendly technologies and energy efficiency in our operations while continuously monitoring and reducing emissions.

- **Responsibilities toward our Employees**

We will foster a work culture with high ethical principles and standards and encourage our employees to perform with total integrity, commitment and ownership. We will do all we can to support their professional growth and recognise high achievers.

We recognise that our employees and contractors deserve to work in safe and healthy work environment and will make it our responsibility to ensure zero harm to people.

- **Responsibilities of the Board**

- a. Approval of the CSR Policy of the Company as recommended by CSR Committee and disclose the content of the Policy in its report and place the Policy on the Company's website in such a manner as prescribed under Section 135 of the Companies Act 2013 and rules thereunder.
- b. Ensure that the activities included in CSR Policy are undertaken by the Company.
- c. Ensuring that the Company spends, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy.
- d. Establish a monitoring mechanism to ensure that activities as recommended by CSR Committee and undertaken by the Company are implemented.

➤ **CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The board of directors of the Company (the "Board") have formed a Corporate Social Responsibility Committee (the "CSR Committee") in line with section 135 of the Companies Act, 2013 (the "Act").

The CSR Committee will carry out the following functions:

- to formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- to recommend the amount of expenditure to be incurred on the activities referred to in the above clause;
- to monitor the CSR policy of the Company from time to time;
- to submit periodical reports to the board of directors.

➤ **SOURCES OF FUNDING**

CSR activities shall be carried out through-

- **Bhavya Cements Educational Society**
- **Others** – Individual projects/ activities as decided by the CSR Committee based on the evaluation of specific project/activities.

➤ **CSR ACTIVITIES**

The scope of the CSR activities of the Company will cover from the following areas but not limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contributing to 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 project;
- 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 activities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protecting of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries, promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and 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;
- Slum area development.

➤ **EXCLUSION FROM CSR**

The following activity shall not form part of the CSR activities of the Company:

- The activities undertaken in pursuance of normal course of business of a company.
- CSR projects/programs or activities that benefit only the employees of the Company and their families.
- Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes.
- Any CSR projects/programs or activities undertaken outside India.

➤ **CSR BUDGET:**

- The total budget for the CSR projects will be decided by the CSR Committee in accordance with applicable provisions of the Act and the CSR Rules made thereunder as amended from time to time.
- The Board of Company shall ensure that in each financial year, the Company spends at least 2% of the average net profit made during the immediate three preceding financial years.

- Any surplus arising out of CSR activities carried out by the Company projects the same shall not form part of business profits of the Company.

➤ **IMPLEMENTATION**

The Company's CSR projects will be implemented in a time-bound manner with clear objectives, plan, targets and robust monitoring and evaluation mechanisms. The ongoing CSR projects will be aligned to the Policy. This Policy builds on the learnings and good practices of the CSR projects initiated by the Company. The Company will facilitate the coming together of the scale provided by the government, the development expertise provided by the NGOs, the mobilization provided by the agency of the communities and the core competencies of the corporate sector, to design and implement innovative, scalable and replicable models of CSR.

The Company implements its CSR projects primarily through its in house foundation –

➤ **MONITORING AND REPORTING**

- The CSR Committee will be responsible for the monitoring CSR activities and report to the Board from time to time.

The CSR Committee has the powers to:

- a. Seek monitoring and implementation report from the Organisations receiving funds.
 - b. Delegate a designated company official to co-ordinate with the Organisation receiving funds to inspect the activities undertaken and ensure information in a timely manner.
- The following processes will be followed:

i. Activities and Budget:

- a. The activities and budgets for CSR will be presented in detail to the Committee.
- b. Additionally, the Committee may empower any official of the Company or a member of the CSR Committee to spend such amount as they think appropriate for some other strategic CSR contingencies that may arise during any financial year. The amount spent as above shall be put up for ratification of the Committee at its next meeting and shall report to the Board accordingly.

ii. Continuous Monitoring

- a. The Committee Members will review the CSR spend on quarterly basis.
- b. The Board of Directors of the Company shall review the implementation of CSR every six months.
- c. Annual Report on the CSR activities of the Company shall be annexed to the Director's Report of the Company as per the format prescribed by the Act.

➤ **Disclosures**

The Act mandates the Company to disclose the, CSR committee, contents of CSR policy, CSR initiatives undertaken by Company, the CSR spend during the financial year and other information as required by the prevailing law.