CORPORATE SOCIAL RESPONSIBILITY POLICY

A. Introduction

BYGGING INDIA LTD (BIL) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance and social ethics. BIL continuously seeks to continue its contribution to the society through its distinct value proposition that meets the needs of millions of people, enhancing their lives through healthcare, improving quality of living by providing education and enabling livelihoods by creating employment opportunities.

With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company seeks to formulate a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

B. CSR Object

The Company firmly believes that CSR is primarily, the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behaviour which is:

(a) consistent with sustainable development and welfare of society,

(b) takes into account the expectations of stakeholders,

(c) is in compliance with applicable law, and

(d) is uniformly integrated and practiced throughout the Company

C. Scope

In furtherance of its CSR objects, the following are covered under this Policy:

i. CSR activities implemented/to be implemented by the Company on its own,

ii. CSR activities implemented/ to be implemented by the Company through own trust/society or group company trust/society,

iii. CSR activities implemented/ to be implemented by the Company through an external trust/society.

D. Definitions

In this Policy, unless the context otherwise requires:

1. “Act” shall mean the Companies Act 2013, including any modifications, amendments or re-enactment thereof.

2. “Agency” (or Agencies) means any Section 8 Company or a registered trust/ society/NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.

3. “Approved Budget” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.

4. “Board” shall mean the Board of Directors of the Company.

5. “Company” shall mean Bygging India Ltd and wherever the context requires, shall signify the Company acting through its Board.

6. “CSR Annual Plan” shall mean the annual plan detailing the CSR expenditure for the year.

7. “CSR Committee” shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.

8. “CSR expenditure” means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:

i. Contribution to CSR Projects which shall be implemented and/or executed by the Company;

ii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and

iii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency.

iv. Any other contributions covered under Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR expenditure.

The following CSR projects or programs or activities are **not considered** as CSR activities pursuant to the provisions of the Companies Act, 2013:

a. activities undertaken in pursuance of normal course of business of the Company:
b. 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;
c. contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act, 2013;
d. activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
e. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
f. activities carried out for fulfilment of any other statutory obligations under any law in force in India.

9. CSR Policy” shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.

10. “CSR Projects” or “Projects” means Corporate Social Responsibility projects/activities/ programs/ initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company. Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

11. “Financial Year” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

12. “Net profit” shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.

13. “Rules” shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

14. “Thrust Areas” shall have the meaning as ascribed to them as per provision E of the Policy

E. Thrust Areas:

While the Company is eligible to undertake any suitable/rightful activity as specified in Schedule VII of the Act, however, at present, it proposes to undertake the relevant activities on priority basis in the following three Thrust Areas:

1.1 Community healthcare, sanitation and hygiene, including, but not limited to:

(1) Establishment and management of state-of-the-art healthcare infrastructure with high level of excellence. (2) Providing financial and/or other assistance to the Agencies involved in exclusive medical research, public health, nursing etc. (3) providing financial assistance to deserving people for specialized medical treatment in any medical institution. (4) Activities concerning or promoting: a. General health care including preventive health care of Senior Citizens b. Safe motherhood c. Child survival support programs d. Health / medical camps e. Better hygiene and sanitation f. Adequate and potable water supply, etc.

1.2 Education and knowledge enhancement, including, but not limited to:

(1) Establishment and management of educational and knowledge enhancement infrastructure. (2) Providing financial and/or other assistance to the needy and/or deserving students. (3) Providing financial assistance to any Agency involved in education, knowledge enhancement and sports. (4) Facilitate enhancement of knowledge and innovation in the educational Agencies. (5) Contribution to technology incubators located within academic institutions which are approved by the Central Government.

1.3 Social care and concern, including, but not limited to:

(1) Creating Public awareness (2) Protection and up gradation of environment including ensuring ecological balance and related activities. (3) Rural development projects (4) Others: a. Establishment and management of orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature. b. Providing assistance to institutes of credibility involved in areas of social care, including: • Preservation of heritage • Animal welfare, social welfare and related matters • Orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature. c. Other humanitarian activities.

<u>Guiding Principles for Identification of CSR Activities and Annual Action Plan</u>

F. Identification of CSR Projects:

1. CSR Projects need to be identified and planned for approval of the CSR Committee, in particular in Thrust Areas, with estimated expenditure and phase wise implementation schedules

2. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. ***However, this shall not bar the Company from pursuing its CSR objects in other areas.***

G. Approval Process

The CSR Committee may form a sub-committee comprising of CSR warriors amongst its employees for the purpose of identification, approval, execution and implementation of CSR programs of the Company under this Policy.

H. Annual Action Plan

The CSR Committee will, in pursuance of the CSR policy, formulate and recommend to the Board, an annual action plan which shall include the following, namely:-

1. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
2. the manner of execution of such projects or programmes;
3. the modalities of utilization of funds and implementation schedules for the projects or programmes;
4. monitoring and reporting mechanism for the projects or programmes; and
5. details of need and impact assessment, if any, for the projects undertaken by the Company;

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

Guiding Principles for Execution of CSR Activities

I. Modalities of Execution/Implementation of CSR Activities

The Company shall implement the identified CSR Projects by any of the following means:

CSR activities should be undertaken by the Company in accordance with CSR Action Plan, which, as stated above, will be annually recommended by the CSR Committee and approved by the Board.

I. Direct Method

1. The Company may itself undertake and / or implement CSR Activities presently within the scope and ambit of the Thrust Areas as defined in the Policy; 2. The CSR Committee may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Activities. 3. The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the direct method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

II. Indirect Method

1. The Company may implement the identified CSR Activities through Agencies, subject to the condition that: • The activities pursued by the Agency are covered within the scope and ambit of Schedule VII of the Act provided ♣ The Agency has an established track record of at least three years in undertaking similar programs or projects, and ♣ The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be atleast once in three months. 2. The Company, may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

J. Monitoring and Reporting CSR Activities:

To ensure effective implementation of the CSR activities undertaken, a monitoring mechanism will be put in place by the CSR Committee. The same will be in accordance with CSR Action Plan, which, as stated above, will be annually recommended by the CSR Committee and approved by the Board.The Board of Directors shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.

In case of ongoing project, the Board of Directors shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

K. Need and Impact Assessment

CSR activities undertaken should be in the interest of the society and the local population where the company operates, presently within the scope and ambit of the Thrust Areas as defined in the Policy.

Before undertaking any project or activities the company shall conduct Impact assessment for the project and its utility in the demography where project is proposed. The same will be in accordance with CSR Action Plan, which, as stated above, will be annually recommended by the CSR Committee and approved by the Board.

Monitoring process for CSR Projects shall include the following:

- Evaluation of Planned progress V/s Actual Progress
- Actual expenditure V/s expenditure as per Approved Budget

The monitoring team will also try to obtain feedback from beneficiaries about the activities.

L. CSR Spending:

1. The Company, in every Financial Year, shall endeavour to spend the feasible amount, However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.

2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include: a. Identified CSR Projects b. CSR expenditure c. Implementation Schedules

3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee

4. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134.

M. Review:

The CSR Committee shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The CSR Committee shall provide recommendations as and when it deems necessary to the Board to amend/ modify/ revise the CSR Policy.

N. Duties and responsibilities

i. Board of Directors

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

ii. CSR Committee

i. The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at least twice a year.

ii. In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.

iii. The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting in April/May of the following year for Board review and finalization.

iv. The CSR Committee shall place before the Board in April/May every year a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company for inclusion in the Board's Report.

v. The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan is displayed on the Company's website.

O. Review Periodicity and amendment:

i. CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.

ii. The CSR Committee shall review the Policy every two years unless such revision is necessitated earlier.

P. General

The composition of the CSR Committee, this Policy and Projects approved by the Board of Directors shall mandatorily be disclosed on the website of the Company. Further, The Board's Report shall include an annual report on CSR containing particulars as prescribed statutorily.

In case of any doubt or difficulty with regard to any provision of this policy or implementation of any CSR activity and also in respect of matters not covered herein, a reference be made to CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.

In case of any inconsistency in this CSR Policy and the Act read with the CSR Rules, the provisions of the Act and the CSR Rules would prevail.

Sd/-	Sd/-
Manorath Satya Dev Bahuguna	**Ravishankar Modi**
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