

BHARTIYA FASHION

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Version no.: CSR/2021-22/01

Adopted on: 29th June, 2021

1. INTRODUCTION:

As a good corporate citizen, Bhartiya International Limited (“the Company”) is committed to inclusive growth and wellbeing of all the stakeholders, including and especially the society at large. The Company believes in nurturing the society and environment in general and more particularly around its places of operation. In line with its commitment, the Company has been taking diverse initiatives under its Corporate Social Responsibility (“CSR”) for society at large, even before it was statutorily mandated. Now, in accordance with the statutory mandate, the Board of Directors (the “Board”) of the Company has adopted this policy and the procedures described herein with regard to its CSR. This policy is subject to review and revision by the Board, from time to time. The Board will consider the recommendations of the Corporate Social Responsibility Committee, to be instituted as per this policy document, in accordance with Section 135 of the Companies Act, 2013, while making such revisions.

2. OBJECTIVE:

This Policy document outlines the broad approach and direction of the Board towards CSR. The document provides general principles for selection, mode of implementation and monitoring of the CSR activities of the Company. An annual action plan shall be drawn based on the recommendations of the CSR committee and submitted to the Board for its approval at the start of the financial year. Implementation shall commence only based on the approval of the Board.

SCOPE AND APPLICABILITY

The CSR Policy has been developed in conformity with the provisions of Section 135 and Schedule VII of the Companies Act, 2013 (“the Act”) and in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

The CSR activities to be undertaken by the Company, as projects or Programmes or activities (either new or ongoing), shall exclude the following:

- a. Activities undertaken in pursuance of the normal course of business of the Company;
- b. Any activity undertaken by the company outside India (excluding training of Indian sports personnel representing any State or Union territory at national level or at international level);
- c. The activities which are exclusively for the benefit of the Company employees as defined in clause (k) of Section 2 of the Code on Wages, 2019;
- d. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- e. Sponsorship activities supported by the Company for deriving marketing benefits for its products or services;
- f. Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

3. SELECTION, IMPLEMENTATION AND MONITORING OF CSR ACTIVITIES:

Selection:

Subject to the approval of the CSR projects by, and other statutory obligations of, the Board of Directors, the CSR committee of the Board constituted under Section 135 of the Companies Act, 2013 ("CSR Committee") shall be responsible for the selection, implementation and monitoring of CSR activities of the Company. The CSR Committee shall formulate its recommendations to the Board subject to the following:

- (a) The selection of various activities under CSR, shall be strictly as per the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Schedule VII thereof and rules made thereunder, as may be amended from time to time.
- (b) While selecting various activities, preference shall be given to the local area and areas around the locations/plants/offices from where the Company operates; however, in appropriate cases, other areas may be considered for undertaking CSR activities.
- (c) CSR activities shall be selected so as to reach maximum number of beneficiaries, preferably of the under-privileged sections of the society. The focus of such activities must be towards improving standard of life of target beneficiaries. Typical areas may include promoting education, health, preservation and sustenance of environment and common assets of the society.
- (d) The CSR activities shall specify the expected outputs clearly in measurable terms. This would enable effective monitoring of implementation and evaluation of final results.

Implementation:

- (e) The CSR activities shall be implemented on a Programme or project basis.
- (f) For convenience of proper implementation and monitoring, the Programmes or projects shall preferably be for a short duration, not exceeding 1 (One) year. However, in appropriate cases, Programmes or projects which are to be implemented on a sustainable basis, may be undertaken for a period longer than 1 year. However, in such a case, on the recommendation of the CSR Committee, the Board shall approve such Programme/project as an Ongoing Project as defined under Rule 2(i) of the Companies (CSR Policy) Rules, 2014 as amended from time to time and all regulatory requirements pertaining thereto shall be complied with.
- (g) Various projects/Programmes as approved by the Board shall preferably be implemented by the Company itself. However, in appropriate cases Programmes/projects may be implemented through one or more implementing agencies as are eligible under the CSR regulations.

Further, the Company may, subject to compliance of statutory requirements, collaborate with any other entities to jointly undertake any major CSR Programme/project in such a manner that the CSR committees of respective companies are in a position to report separately on such project or Programme.

The Company may engage an International Organization (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014) for designing, monitoring, and evaluation of its CSR Projects as well as for capacity building of its personnel.

Monitoring:

- (h) The CSR Committee shall be primarily responsible for monitoring, implementation of various approved Programmes/projects. The CSR Committee may assign one or more officials of the Company for day to day monitoring of various activities and expenditures incurred on such CSR Programmes/projects.

- (i) The CSR Committee shall ensure that the CSR funds allocated by the Company are spent prudently to achieve the specific objectives of the Programmes/projects and that the Programmes/projects shall be completed within the approved budget and the timeline.

On-going Project

“On-going Project” means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which its implementation commenced and shall also include such projects that were initially not approved as multi-year projects but whose duration had to be extended beyond one year by the board based on reasonable justification.

4. CSR ANNUAL ACTION PLAN

The Annual Action plan of CSR Activities to be carried out during a financial year shall be formulated by the CSR Committee and recommended to the Board for its consideration and approval. The Board may alter the plan of action submitted either at the time of approval or at any time during the financial year, taking into account specific recommendations of CSR Committee and any other inputs it might receive from other sources including the beneficiaries.

5. CSR COMMITTEE

Subject to statutory requirements, the Board shall be empowered to constitute, reconstitute or dissolve the CSR Committee. The CSR Committee so constituted shall function as per the provisions of Section 135 of the Act and rules made thereunder and in terms of this Policy. The Committee shall consist of three or more Directors amongst whom at least one shall be an Independent Director. The CSR Committee shall meet as many times as it may consider necessary; however, it shall meet at least twice in a financial year. Members of the CSR Committee of the Board will choose one among themselves to act as Chairperson.

Roles of CSR Committee shall inter-alia include:

- (a) To devise and recommend, from time to time, various activities which may be undertaken as CSR projects/Programmes, to the Board for its approval. It shall also suggest/recommend to the Board the areas, tenure, quantum of funding, implementing agency of any CSR Programme/project;
- (b) To report, periodically, to the Board the progress of implementation of approved activities and recommend course correction, if any, needed during implementation of any Programme or project.
- (c) To formulate and recommend an annual action plan in pursuance of this Policy in terms of Rule 5(2) of Companies (CSR Policy) Rules, 2014.
- (d) To suggest/recommend revision, if any, needed in the CSR Policy of the Company or any other aspects of CSR.
- (e) To prepare and submit draft Annual Report on CSR activities for consideration and approval by the Board.
- (f) To take up any other matter as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company and as may be mandated by the Board.

If the Annual statutory obligation of the Company towards CSR does not exceed Rs. 50 lacs, the board of the Company may keep in suspended animation or dissolve the CSR committee for such duration as it may consider desirable. In such an event, the Board shall discharge the above

and/or such other roles and responsibilities, as may be required, for the purpose of efficient formulation and implementation of its CSR activities.

6. ROLE OF BOARD OF DIRECTORS

The Board will oversee and ensure adherence to the requirements of CSR provisions in terms of Section 135, read with Schedule VII of the Companies Act, 2013 and rules made thereunder as may be in force, from time to time.

7. REPORTING & DISCLOSURE

Status on current and proposed CSR activities of the Company, shall periodically be reviewed by the CSR Committee of the Board. The impact assessment reports, if any, shall be placed before the Board and annexed to the annual report on CSR activities. An annual report on CSR activities of the Company shall be considered and approved by the Board at the end of a financial year.

The Company shall make disclosure of its CSR Policy, Projects/Programmes/activities approved by the Board, as well as the composition of the CSR Committee of the Board and such other details, as required under the Act from time to time on Company's website.

8. EFFECTIVE DATE

This policy supersedes the previous CSR policy and will be deemed effective from 1st April, 2021.

Any subsequent amendment/modification in regard to CSR provisions/rules notified by the Ministry of Corporate Affairs, shall automatically apply to this Policy. In case any provision(s) of this CSR Policy is contrary to or inconsistent with the provisions of the Act and the Rules framed thereunder ("Statutory Provisions"), the Statutory Provisions shall prevail.
