

Corporate Social Responsibility Policy of Barak Valley Cements Ltd.(BVCL)

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CSR POLICY

VISION

The vision of Barak Valley Cements Limited (the “**Company**”) is to conduct its business with accountability and responsibility. The Company always endeavors to uphold human dignity and sensibilities with the help of affirmative actions and schemes on its part. The Company’s objective towards Corporate Social Responsibility (“**CSR**”) is to “improve the quality of the life of deserving class of people with special emphasis on marginalized sections of society mainly in tribal and rural areas through education as a means to self-sustainability.

1. Objectives:

The Objectives of the CSR projects will be as follows:

- i) To carry out CSR activities in an economically, socially, environmentally sustainable manner ethically and transparently.
- ii) To integrate the core values of the Company with the philosophy of corporate social responsibility (CSR) and sustainability.
- iii) To inculcate in the employees at all levels and to infuse spirit of CSR in all the activities, processes, operations and transactions of the Company.
- iv) To undertake any other matter as deemed appropriate or determined by the Board from time to time in the best interest of the Company and other stakeholders of the Company.

2. Scope:

BVCL will integrate the CSR and sustainability plans and strategies with the business plans and strategies. The projects / activities in areas or subjects, specified in Schedule VII of the Companies Act, 2013 (**Appendix – A**) will be taken up by the Company and any changes/updates, if any, made in the Companies Act, 2013 thereto will be adopted accordingly. Any other project / activity not falling in areas or subjects, specified in Schedule VII of Companies Act, 2013 (“the Act”), will not be considered as a CSR project / activity and the amount spent therein will not be accounted for CSR expenditure of the Company.

3. Definitions:

3.1 “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.

3.2 “Corporate Social Responsibility (CSR)” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Companies Act, 2013 in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, but shall not include the following, namely: -

- (i) activities undertaken in pursuance of normal course of business of the Company;
- (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 Company 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;

3.3“CSR Committee” means the Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

3.4“CSR Policy” means a statement containing the approach and direction given by the board of the Company, taking into account the recommendations of the CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

3.5“International Organisation” means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

3.6“Net profit” means the net profit of the Company as calculated in accordance with the provisions of Section 198 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;

3.7“Ongoing 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 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;

3.8“Public Authority” means ‘Public Authority’ as defined in clause (h) of Section 2 of the Right to Information Act, 2005 (22 of 2005).

4. Budget & Approval:

4.1 The budget allocation for the CSR Projects will be at least 2% of the Average Net Profits of the Company made during the three immediately preceding financial years.

4.2 The budget allocated for CSR Projects/activities planned for each financial year is expected to be spent within that year.

4.3 The Board shall satisfy itself that, the funds so disbursed have been utilized for the purposes and in the manner approved by it and the Chief Financial Officer or the person responsible for financial management, shall certify to that effect.

4.4 The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

5. Implementation & Review process:

5.1 The Board shall ensure that the CSR activities are undertaken by the Company itself or through –

(a) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 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, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

5.2 The Company should preferably select projects / activities for eradication of hunger, malnutrition, poverty, promoting good health, drinking water facility with a view to improve the quality of life of the socially & economically backward groups and marginalized & weaker section of the society, Rural development projects; Slum area development.

5.3 All the CSR Projects / activities proposed will be put up to the CSR Committee for approval. The CSR Committee shall formulate and recommend to the Board, an annual action plan of the CSR Projects/ Activities, covering, *inter-alia*, the following:

(a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

(b) the manner of execution of such projects or programmes;

(c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

(d) monitoring and reporting mechanism for the projects or programmes; and

(e) details of need and impact assessment for the projects undertaken by the Company.

5.4 Based on the recommendations of the CSR Committee, the Board shall approve implementation of annual action plan, with or without modification, subject to reasonable justification to that effect.

5.5 While implementing CSR Projects, it is mandatory to comply with the rules / regulations / laws of the State. However, expenditure on such compliance / statutory measures will not be covered under CSR's financial component and would be considered as mainstream business spend / expenditure.

5.6 The Company will give preference to the local area and areas around the Divisions / Complexes where it operates, for spending the amount earmarked for Corporate Social Responsibility Projects / activities.

5.7 The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

5.8 The Company may collaborate with other Companies for undertaking Projects / Programs / activities in such a manner that the CSR Committees of respective Companies are in a position to report separately on such Projects / Programmes in accordance with the CSR Rules notified under Companies Act, 2013.

5.9 The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority.

5.10 Any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall, within a period of one hundred and eighty days from such commencement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification, be transferred to:

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority.

5.10 The Board's Report of the Company pertaining to any financial year shall include an annual report on CSR containing particulars specified in **Appendix–B**.

6 Deficit and surplus of the CSR Fund

6.1 Where the Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- (ii) the Board of the Company shall pass a resolution to that effect.

6.2 Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year or within the extended period as specified by the Ministry of Corporate Affairs from time to time.

6.3 Any amount remaining unspent relating to any project other than an ongoing project, shall be transferred to a Fund specified in Schedule VII within a period of 6 months of the expiry of the financial year or within the extended period as specified by the Ministry of Corporate Affairs from time to time.

6.4 Any amount remaining unspent pursuant to any ongoing project, shall be transferred within a period of 30 days from the end of the financial year or within the extended period as specified by the Ministry of Corporate Affairs from time to time, to a special account to be opened in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards CSR Policy, within a period of 3 financial year from the date of such transfer, failing which, the amount shall be transferred to a Fund specified in Schedule VII within a period of 30 days from the date of completion of the third financial year or within the extended period as specified by the Ministry of Corporate Affairs from time to time.

6.5 If the Company fails to spend the allocated budget, the Board shall, in its Report, specify the reasons for not spending the amount.

7 Impact Assessment and Evaluation:

7.1

- (a) In order to ascertain the degree of success or failure of a completed activity/project under CSR, Company shall undertake impact assessment, through an independent agency, of the CSR Projects/activities having outlays of rupees one crore or more, and which have been completed not less than one year before undertaking the impact study.
- (b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- (c) Expenditure towards impact assessment made by the Company during a financial year, may be booked towards CSR expenditure upto a limit of five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

7.2 All activities/projects having outlays below rupees one crore taken under CSR of the year may be evaluated by an external specialized agency for the sake of objectivity and transparency.

7.3 External specialized agencies / NGOs with adequate experience / expertise may be engaged from the available panels maintained by the Government Ministries / Departments, Planning Commission, autonomous organizations, or the National / Regional CSR Hub.

7.4 The external agency shall evaluate the Projects/activities for the following information:

- Need for choosing the activity/project (Conduct of Baseline Survey)
- Fulfillment of the objectives for the activity/project
- Beneficiaries of the activity/project.
- Budget utilization.
- Implementation aspects.
- Timely completion of the targets.
- Impact of the activity/project on social, economic and environment perspective.

8. Display of CSR activities on website

The composition of the CSR Committee and CSR Policy and Projects approved by the Board shall be displayed on the website of the Company.

9. Amendments

If the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy until such time this Policy is changed to conform to that law, rule, regulation or standard. Mr. Mahendra Kumar Agarwal, Director and Member of CSR Committee be and is hereby authorized to do the necessary changes/ amendments, if any, required in the Policy due to any amendment in the law, rule, regulation or standard. Subsequently, the said changes/ amendments are required to be taken on record by the CSR Committee and the Board in their next meeting.

Appendix – A

Activities relating to:-

(i) 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;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) 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;

(iv) 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;

(v) 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;

(vi) Measures of the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

(viii) Contribution to the Prime Minister's National Relief or Prime Minister's Citizen 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 Tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by 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 Defence 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);

(x) Rural development projects;

xi) Slum area development

Explanation:- for the purpose of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force;

(xii) Disaster management, including relief, rehabilitation and reconstruction activities.

Appendix – B
FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the Company's CSR Policy
2. Composition of CSR & SD Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR & SD Committee held during the year	Number of meetings of CSR & SD Committee attended during the year

3. Provide the web-link where Composition of CSR& SD Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)

6. Average net profit of the Company as per section 135(5)
7. (a) Two percent of average net profit of the Company as per section 135(5)
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
 (c) Amount required to be set off for the financial year, if any
 (d) Total CSR obligation for the financial year (7a+7b-7c)
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer

(b) Details of CSR amount spent against **ongoing projects** for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount Spent on the project (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR Registration number
	Total								

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1							
2							
	Total						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing
1								
2								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- (Person specified under clause (d) of sub-section (1) of Section 380 of the Act) (Whichever applicable)
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