

BHARAT ROAD NETWORK LIMITED

Corporate Social Responsibility Policy
(Pursuant to Section 135 of the Companies Act, 2013)

Introduction

Our business has been built with a long term objective, encompassing all stakeholders. The shareholders have been encouraging the business to weave in its fabric the thread of social accountability since its inception. We perceive CSR as our responsibility towards contributing to society, empowering individuals and enabling them to live a life of dignity. For us, strengthening the moral fabric of the society is also a duty which we wish to include in our CSR activities. The CSR philosophy of BRNL is embedded in its commitment to all stakeholders, employees, customers, shareholders and society. Our sustainable approach by practicing service to humanity has enabled us to continue fulfilling our commitment to be a socially responsible corporate citizen. Our objective is to manage our business in a way which produces a positive impact on the economy, society and environment.

CSR Vision and Mission

Taking CSR as a sustainable social initiative, we aim to align and integrate our resources with society's developmental needs towards creating a better tomorrow.

Approach to CSR

At the meeting of the Board of Directors held on 12th August, 2023, the Corporate Social Responsibility Committee was dissolved w.e.f. 12th August, 2023 in line with the provisions of Section 135(9) of the Companies Act, 2013 and the functions of such Committee is being discharged by the Board of Directors of your Company.

To attain our objective, vision and mission, Company may decide to undertake its CSR activities through its Board of Directors, 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 and having an established track record of atleast three years in undertaking similar activities, 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;

The Company may also collaborate with other Companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programs in

accordance with these rules.

Guiding Principles

The Company shall follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan:

- i. The Company shall give preference to the local areas wherein the Company operates or has its offices for spending the amount earmarked for Corporate Social Responsibility activities.
- ii. The Company shall undertake only such CSR Activities which are permitted under the Applicable Laws. The Company shall also consider international, national, or state level priorities/ objectives, while identifying CSR Activities.
- iii. The Company shall not discriminate against the beneficiaries of the CSR Activities, on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR Activities to benefit the economically or socially weaker, or marginalised sections, of the society.
- iv. The Company shall endeavour utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.
- v. The Company shall ensure that all CSR Activities undertaken directly or indirectly, meet applicable standards of quality followed by Company and/or are the market standard for such activities.
- vi. The Company shall either undertake the project directly or preferably through Implementation Agency and shall to its best of its ability also ensure that the Implementation Agency, satisfy the criterion specified (if any) and has relevant experience, good credentials, no criminal track record etc.
- vii. The Company shall ensure that all the CSR Activities are implemented as per the approved Annual Action Plan, authorised by the Board.

CSR Thrust Areas

Our activities will be carried out in line with the items as specified under Schedule VII of the Companies Act, 2013 as mentioned hereunder -

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation (including contribution to Swach Bharat Kosh set up by the Central Government for promotion of sanitation) and making available safe drinking water;

2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. 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;
4. 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);
5. 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 and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
8. 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 Caste, the Scheduled Tribes, other backward classes, minorities and women;
9. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the 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 Defense 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)

10. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
11. Rural development projects.
12. Slum area development
13. Disaster Management, including relief , rehabilitation and reconstruction activities

Exclusion from CSR

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

- (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 companies 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;

Annual Action Plan in pursuance of its CSR policy

The Board shall formulate an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -

- (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, if any, for the projects undertaken by the company:

The Board shall be the absolute authority to update, alter, modify, amend, withdraw and replace the Annual Action Plan at any time during the financial year, based on the reasonable justification to that effect.

The Board shall review the status of implementation and fund utilization of the various projects and programmes as per approved Annual Action Plan at least once in a year.

CSR Budget

The Company shall spend, in every financial year, at least 2% of the average net profits of the Company made during the 3 (Three) immediately preceding financial years, in pursuance of this Corporate Social Responsibility Policy and as per approved Annual Action Plan.

The CSR expenditure shall include all expenditure including contribution to corpus of implementing agency or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

Treatment of excess spent on the CSR activities

In case the Company spends an amount in excess of the 2%, then the company may set off such in case the company excess amount up to immediate succeeding 3 (Three) financial year subject to following conditions:

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

Treatment of surplus arising out of the CSR activities

Any surplus arising out of the CSR activities shall not form part of the business profit of a 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.

Treatment of unspent amount of CSR

if the company fails to spend the amount earmarked for CSR activities, the Board shall, in its Board report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in section 135(6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company 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 the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Monitoring and Reporting

The Board will be responsible for monitoring CSR activities from time to time.

The Board has the powers to:

- a. Seek monitoring and implementation report from Implementation Agency / organizations receiving funds.
- b. Delegate a designated company official to co-ordinate with the organization receiving funds to inspect the activities undertaken and ensure information in a timely manner.

Under the overall supervision of the Board, the Implementation Agency shall be responsible to monitor the CSR Activities. The Implementation Agency shall devise a robust monitoring mechanism to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plans in compliance with the Applicable Laws and the provisions of this Policy.

The CSR Activities will be effectively and objectively monitored using appropriate monitoring tools that may include one or more of the third-party audit(s) or certification(s), impact assessment(s), self-assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.

For the Board to satisfy itself that disbursed CSR funds have been utilized for its intended use, it can rely on the certificate issued and signed by the head / authorised representative by the Implementation Agency.

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

Responsibilities of the Implementation Agency

1. Implementation Agency shall work under the overall supervision of the Board and the Board shall be fully authorised to issue any instruction, guidelines, direction, order, advisor etc. which shall be binding on them.
2. To obtain the unique CSR Registration Number by registering itself with the Central Government by filing the form CSR-1 electronically.
3. The Implementation Agency works only with credible institutions, non-governmental organisations (NGOs), government agencies, domain experts and visionaries and other philanthropic foundations to enhance the outreach of the Company's CSR Activities in line with the CSR Policy.
4. Undertake the CSR Activities as per the approved Annual Action Plan.
5. Update the Board of Directors on the progress of CSR Activities and status of implementation of the Annual Action Plan.
6. Maintain records of all CSR Activities undertaken on behalf of the Company.
7. Do all such acts, deeds and things as may be directed by the CSR Committee in pursuance of the CSR Policy and for the effective implementation of the Annual Action Plan.

Disclosure

The Annual Report of the Company shall include Annual report on CSR on CSR outlining the CSR Policy, CSR Committee, if any, CSR initiatives undertaken by the Company, the CSR spend during the financial year and other information as required by the prevailing law.

Details of composition of the CSR Committee, if any, the CSR policy, the CSR Committee charter and details of CSR Activities approved by the Board shall be available on the Company website at www.brnl.in

Our Board of Directors, our Management and all of our employees are being encouraged to internalize our CSR philosophy of going beyond profit seeking. We stand committed to all the necessary resources required to meet the goals of Corporate Social Responsibility.

(This policy has been formulated by the Board at its meeting held on 17.10.2016 and adopted by the Board at its meeting held on 17.10.2016. The said policy has been revised and adopted by the Board at its meeting held on 06.02.2024)