

CORPORATE SOCIAL RESPONSIBILITY POLICY

Amended on 10.06.2022

1. INTRODUCTION

- 1.1 Bharat FIH Limited (Formerly known as Bharat FIH Private Limited) (referred to as the "Company") is an Electronic Manufacturing Service Company (EMS). The Company is engaged in the business of manufacturing of mobile handsets, mechanics, electric vehicles, television and other electronic devices and components. The Company is also involved in research and development activities
- 1.2 BFIH's policies and operations aids in value addition to the society, focusing on the local areas of operations helping in overall and holistic development of its Stakeholders. The Company is committed to the vision of "Revamping the community with generosity". Through various policy and project initiatives, the Company endeavours to play a vital role by serving the communities thereby addressing the gaps in the basic societal requirements.

2. OBJECTIVES

- 2.1 The main objective of the Corporate Social Responsibility (CSR) Policy is to lay down guidelines for BFIH to make CSR one of the key areas of focus which shall adhere to BFIH's interest in the environment and society in which the Company is operating thereby making a positive contribution to the society through effective and sustainable development programs.
- 2.2 This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with the vision statement of the Company and Section 135 read with Schedule VII of the Companies Act, 2013 (which is replicated as Annexure-A to this document) read with the Rules and Regulations laid there under as amended from time to time. Any future changes in the Companies Act, 2013 or the rule made thereunder, ipso facto, apply to this Policy. It covers the CSR activities which are being carried out in India and includes strategies that define plans for future CSR activities.

3. APPLICABILITY

The Company shall comply with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Under Section 135(1) of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the three immediately preceding financial years shall constitute a 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.

4. FOCUS AREA

In accordance with the Schedule VII of the Companies Act, 2013 which is replicated as Annexure-A to this document, the Company's proposed commitments towards CSR include but not limited to Education, Sports, Health care, Gender Equality, Socio-Economic and Rural Development.

4.1 Education including sports

- To identify State Government schools and State Government aided schools in the vicinity of the Company consisting of 10th, 11th & 12th grades;
- To aid the provision of Computer Systems at identified State Government primary schools and State Government aided primary schools where there are no Computer Systems and to organise Computer training classes through recruitment of well experienced teachers;
- To analyse the pass percentage of such schools and zeroing in on to the schools that need physical and financial support;
- To organize special coaching classes to be undertaken by qualified teachers for students belonging to 10th, 11th & 12th grades;
- To monitor the performance of the students on yearly basis;
- To promote sports and yoga activities among the identified schools which shall include facilitation of renovating playgrounds.

4.2 Health Care

- To provide nutritious food such as health mix powders, fruits etc., in periodic intervals at identified State Government primary schools and State Government aided primary schools;
- To provide healthy snacks for the students during evening classes at such schools;
- To aid the provision of water tanks, taps, rest rooms etc., at such schools.
- Providing the required resources to the individuals/families that cannot afford for basic health attention viz. surgeries, medicines or diagnostic facilities with consultation for chronic, life threatening or any other diseases;
- Jointly working with NGOs to develop health facilities in different districts/states;
- Setting-up and running mobile health units in disaster prone areas;
- Reaching out to rural areas to enhance the livelihood of the malnourished children;
- Focusing on providing preventive health care & Sanitation including making available safe drinking water.
- Providing grants to NGOs/Trusts/Institutions/Organizations who are dedicated for the said cause;

4.3 Gender Equality

- To identify competent Non-Government Organisations whose business objectives are in alignment with women empowerment;
- To organise various training programs viz. electronic device repairing, cement ring making, brick manufacturing, automobile driving classes with proper certifications to identified women & transgender operations those who are in need of job opportunities in the local areas of business.

4.4 Socio Economic Development

- To make contributions to the Prime Minister's National Relief Fund or any other eligible fund set up by the Central Government and State Government with respect to socio economic development.

4.5 Rural Development

- Promoting rural areas by cleaning the ponds, providing RO facilities to rural households;

4.6 Promoting rain water harvesting.

- Adopting and running different projects/programs through in house professionals or NGOs working with the same cause for the community development and bridge the inequality gap existing in the society.

4.7 Disaster Management

- To keep track record of organising timely relief and rehabilitation of communities affected by natural calamities;
- To build capacities of local communities to respond to disasters.

4.8 Other Initiatives

- To undertake other need based initiatives in compliance with Schedule VII of the Companies Act, 2013.

5. LOCATION OF CSR ACTIVITIES

The CSR Committee shall decide upon the location at which the CSR activities are proposed to be carried out provided that preference shall be given to the local area(s) of business operations.

6. ANNUAL CSR PLAN

The CSR Committee shall formulate and recommend to the Board, 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 may alter Annual Action plan at any time during the financial year, as per the recommendation of CS.R Committee, based on the reasonable justification to that effect. The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company. The company shall continue to focus on group projects, new & ongoing projects and give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

7. ONGOING PROJECTS

“Ongoing Project” means a multi-year project undertaken by a 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. The CSR Committee may identify and recommend to the Board “Ongoing Project/s” and may designate some of the existing CSR projects as an Ongoing Project and such Ongoing Projects shall be selected, implemented, monitored and reported in accordance with the applicable CSR Provisions.

8. BUDGET

The Board shall ensure that minimum of 2% of the average Net Profits of the immediately preceding three financial years is spent on the identified CSR initiatives. All the expenditure towards such projects shall be clearly documented. The details of the unspent amount, if any shall be disclosed in the Board’s Report and the CSR Annual Report along with the reasons for not spending the amount in accordance with Section 134 (3) (o) of Companies Act, 2013.

The Company may build CSR capabilities of their own personnel as well as of their Implementing

Agencies and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time.

9. IMPLEMENTATION STRATEGY

- Directly by the Company through the initiatives conceptualised and executed by in-house professionals; or
- Any other foundations, trusts, or a Section 8 Company or any other form of entity with a track record of at least three years in carrying out activities in related areas. (While engaging with partners, the Company shall evaluate the credentials of the implementing entity and seek relevant documents, information and details as deemed fit); or
- The Company may also collaborate with other Companies or Institutions for undertaking CSR projects or programs.

10. ROLES AND FUNCTIONS OF CSR COMMITTEE

The responsibilities of the CSR committee are as follows:

- To frame and recommend the budget(s) or amount(s) to be incurred on the corporate social responsibility activities;
- Identify and recommend to the Board for creation of capital asset as a part of CSR expenditure;
- To periodically monitor the company's corporate social responsibility policy, its implementation from time to time and recommend to the Board for adoption of different projects, if required;
- To undertake corporate social responsibility impact assessment, if required, and submit the report to Board along with the annual report;
- To institute a transparent monitoring mechanism for the implementation of corporate social responsibility projects; and
- To review the policies, charter and associated framework, working guidelines, process and practices of the company related to CSR and making appropriate recommendation to the Board of Directors
- To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.
- The Committee shall monitor if the Company is taking appropriate measures to ensure the successful implementation of CSR activities.
- The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
- The Committee shall review the Company's initiatives and programs from time to time.
- The Committee shall formulate and monitor the implementation of the CSR annual action plan, in accordance with the Company's CSR policy and provisions of applicable laws from time to time. The CSR committee shall review the impact assessment report(s) (if any), and place them before the Board.
- The Committee shall formulate necessary monitoring mechanism to enable the Board to satisfy itself that the funds disbursed for CSR activities or projects or programs have been utilized for the purposes and in the manner as approved by it.

11. RESPONSIBILITIES OF THE BOARD

The Board shall:

- Form a CSR committee and disclose the composition of the CSR committee, its CSR Policies and Projects as approved by the Board on the Company's website.

- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee and ensure that the activities as are included in the CSR Policy of the Company are under taken by the Company.
- Ensure implementation of the activities under CSR.
- Ensure expenditure of requisite amount on CSR every year as per the applicable Law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report on CSR which forms part of the Board Report to the Shareholders of the Company and ensure the treatment of the unspent amount as per the provisions of the Companies Act, 2013 and the rules made thereunder.
- The Board shall ensure that CSR activities are undertaken by the company itself or through implementing partner in compliance with the Companies Act, 2013 and rules framed under it from time to time. The implementing partner organization must register itself with the Central Government by filing form CSR-1.
- The implementing organization should have adequate systems and processes for project planning, execution, monitoring, reporting and review. Further, documented systems and processes should also be there for internal organizational management.
- 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.
- The company may also collaborate with other companies for undertaking projects or programmes 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 programmes in accordance with these rules.
- The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer of the Company shall certify to the effect.
- The Board shall monitor the implementation of the Ongoing Projects with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.

12. MEETING OF THE CSR COMMITTEE

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary;

- a. The CSR Committee shall hold a minimum number of two meetings every year.
- b. The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- c. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
- d. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means as may be convenient.

13. FUNDING, SELECTION AND MONITORING PROCESS

The Company will be receiving proposals and requests for funding different project through various known and unknown sources throughout the financial year. The Company's in-house panel of professionals shall evaluate such proposals by giving due considerations to the Company's areas of focus and such projects shall be prioritised by assessing the impact on the society.

The Committee shall deliberate on the proposals and approve the proposals for implantation at its discretion. The status of the ongoing projects shall be reviewed and communicated to the CSR Committee by the Company's representatives.

14. PROJECT LIFE CYCLE

The following chart depicts the CSR Project's life cycle:



15. EFFECTIVE DATE

This policy is effective from 14th December 2021

16. AMENDMENT TO THE POLICY

The Board of Directors on its own and/or on the recommendation of the CSR Committee may amend the CSR policy as and when it may deem fit. Any or all of the provisions of the CSR policy would be subject to revision or amendment in accordance with the notifications or circulars issued by relevant Statutory Authorities from time to time.

17. FAILURE TO SPEND

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a Report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their annual Report pertaining to that particular Financial Year.

Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

18. REPORTING

The detailed report on CSR activities will form part of the in annual Board of Directors report as annexure attached to it, as per the format prescribed under the provisions of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

19. COMPLIANCE STATUS

The CSR Committee shall be responsible for supervision of the Policy.

The CSR Committee shall submit an Annual Report on CSR activities undertaken, total amount spent, total amount remaining unspent and such other relevant details for that financial year with respect to which the Report is being prepared and the same shall form a part of the Board's Report as an annexure to it.

ANNEXURE A

The Company will undertake CSR projects related to list of activities prescribed under Schedule VII of the Companies Act, 2013 as amended from time to time:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 projects.
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- 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.
- 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 art and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents, CAPF and CPMF veterans, and their dependants including widows;
- training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
- contribution to the prime minister's national relief fund or the PM CARES Fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- rural development projects.
- slum area development
- disaster management, including relief, rehabilitation and reconstruction activities.