

Corporate Social Responsibility Policy

BF UTILITIES LIMITED

1. PHILOSOPHY:

At BF Utilities, Corporate Social Responsibility (“**CSR**”) has evolved over decades with the simple objective of ‘**giving back to the society**’. We believe CSR is a close integration of the community’s economic, environmental and social aspirations with the Company’s business goals and objectives. We are, therefore, committed to integrate CSR with our business processes for sustainable growth and development. We would like to emphasize our initiatives in specific areas of social development that would include primary and secondary education, skills development, vocational training, health & hygiene, sustainability, environment and ecological protection, character building by providing training opportunities in sports and cultural activities etc. We believe our initiatives in these areas would continue to contribute significantly to the overall welfare of the community and make a difference in living standards of the community.

2. OBJECTIVE:

BF Utilities is proud of being a socially responsible corporate citizen. We would like to further scale-up our CSR activities through the initiatives aimed at improving the quality of life for needy, deprived and marginalized sections of the society including economically deprived children, women and senior citizens. We propose to empower them to effectively participate in unfolding social and economic opportunities so that they can be an integral part of the mainstream of growth and development. We would strive to achieve total inclusiveness by encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from our CSR initiatives which would also be focused around communities that reside in the proximity of our company’s registered office, depots, manufacturing location(s) in the country.

3. VISION:

At BF Utilities, we believe in giving back to the society in some measure what we have gained from it. We are therefore committed to address issues relating to child welfare, women empowerment and safety and security of senior citizens etc. through our various initiatives which will lead to protection of environment, health & hygiene and skill education on sustained basis for society as a whole.

4. SCOPE AND APPLICABILITY

This policy is applicable across BF Utilities Limited. The said policy can be read in alignment with the requirements of Section 135 of the Companies Act, 2013 (‘the Act’) and the corresponding rules made there under, as amended from time to time (‘CSR Rules’), Schedule VII of the Act.

The scope of this policy is to strategically draw the guiding principles for selection, implementation and monitoring of CSR projects/programs as well as formulation

of the annual action plan by the Board of the Company, after taking into account the recommendations of its CSR Committee.

5. DEFINITIONS:

In this policy, unless the context otherwise provides/requires, words and expressions used in the policy shall have the same meanings respectively assigned to them in the Act or rules made there under.

6. GUIDING PRINCIPLES FOR SELECTION, IMPLEMENTATION AND MONITORING OF CSR PROJECTS / PROGRAMS:

I. SELECTION OF CSR PROJECTS / PROGRAMS / AREAS TO BE COVERED FOR CSR:

- a. The Company will consistently explore and undertake CSR Projects or programs relating to the activities in any of the fields enumerated in Schedule VII of the Act with a preference to carry on such activities within the local area(s) around it, wherever it operates. Additionally, the Company may also undertake CSR Projects or programs for activities notified as CSR by the Ministry of Corporate Affairs (MCA) through its notifications, circulars and clarifications from time to time.
- b. The time period / duration over which a particular programs / projects shall be spread over, shall depend on its nature, extent of coverage and the intended impact of the program / project.
- c. Following activities will not be considered as CSR projects / programs:
 - i. CSR projects / programs that benefit only the employees of the company and their families.
 - ii. Contribution of any amount directly or indirectly to any political party under the provisions of the Companies Act, 2013.
 - iii. Activities undertaken in pursuance of normal course of business of a Company.
 - iv. Activities to be excluded as notified by the MCA through its notifications, circulars and clarifications from time to time.
- d. The Company may also collaborate with other companies for undertaking projects or programs or CSR projects / programs 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 Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended).

II. IMPLEMENTATION OF CSR PROJECTS / PROGRAMS/ ORGANISATIONAL MECHANISM AND RESPONSIBILITY:

- a. Project activities identified under CSR are to be implemented either by personnel of the Company or through a registered trust or a registered society with established track records in the respective domains or a company established by the company or its holding or subsidiary or associate company

under section 8 of the Companies Act, 2013 or otherwise or by specialized agencies nominated by CSR Committee from time to time.

- b. Specialised agencies and personnel authorized in this regard could be made to work singly or in tandem with other agencies. The Company shall specify the project to be undertaken by such entity and modalities of utilization of funds for such projects with implementation schedules, monitoring and reporting mechanism.
- c. The Company shall ensure that all the CSR projects / programs are implemented as per the approved annual action plan authorised by the Board.

The organizational mechanism for CSR shall be as follows-

i. Management

- a. CSR programs / projects as may be identified by the Management within the framework of CSR areas shall be required to be put-up to the CSR Committee at the beginning of each financial year.

ii. CSR Committee

- a. The CSR Committee shall consist of at least three directors of the Company. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law. The CSR committee shall monitor the work of CSR team on a continuous basis.
- b. Every year, the CSR Committee will, on the basis of programs / projects put-up by the Management, formulate and place before the Board a CSR Annual Action Plan detailing the CSR Programs / projects to be carried out during the financial year, including the budgets thereof.
- c. The CSR Committee shall appoint person/(s) i.e. project heads, who shall be responsible for ensuring the compliance in their area of responsibility in terms of related CSR projects / programs in the CSR team. It shall also make an effort to involve all the stakeholders of the business i.e. employees, customers, surrounding community, suppliers, local governance in the implementation of CSR projects.
- d. The Committee's prime responsibility shall be to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of CSR Policy. The terms of reference of the committee are as follows-
 - 1. To formulate and recommend to the Board, a CSR Policy in terms of Schedule VII of the Act including a statement containing the approach and direction given by the Board, guiding principles for selection, implementation and monitoring of CSR projects/programs, as well as, formulation of the Annual Action Plan;
 - 2. To recommend to the Board, the Annual Action Plan in accordance with the applicable laws;
 - 3. To recommend the amount of expenditure to be incurred on the CSR projects/programs, list of projects to be undertaken within the purview of Schedule VII to the Act,

4. To monitor the progress of the annual action plan and the multi-year programs, their manner of execution, modalities of fund utilization, project implementation schedules, reporting mechanism along with details of need and impact assessment for projects as required, etc.;
 5. To monitor the CSR Policy of the Company from time to time;
 6. To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee;
- e. The CSR expenditure made shall be reviewed based on the basis of Annual Action Plan and a report thereon shall be placed before the Board indicating status of implementation of the approved CSR programs / projects for the purpose of monitoring.

iii. Board of Directors

- a. The Board will consider and approve the CSR Annual Action Plan recommended by the CSR Committee with such modification that may be deemed necessary. The CSR Annual Action Plan may also be modified by the Board during the financial year, on the recommendation of the CSR Committee.
- b. The Board shall endeavor to spend in every financial year, 2 (two) per cent of average net profits of the Company made during the 3 (three) immediately preceding financial years in pursuance of this policy, as per the related provisions under the Act and Rules thereunder. CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating CSR activity areas mentioned in this policy.
- c. The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company.
- d. The Board shall satisfy itself that the funds disbursed have been utilised for the purposes and in the manner as approved by it and the CFO or the person responsible for financial management shall provide a certificate which shall be placed before the Board.
- e. For meeting the requirements arising out of immediate & urgent situations with regard to formulated CSR projects / programs, the Chairman is authorised to approve such proposals in terms of the empowerment accorded to him by the CSR Committee.
- f. Compliance with this policy including following of implementation schedules for such CSR projects / programs shall be periodically monitored by CSR Committee subject to the review by the Board of Directors from time-to-time.

III. MONITORING, IMPACT ASSESMENT AND RECORD MAINTAINENCE:

- a. The CSR projects / programs undertaken directly by the Company shall be monitored by the CSR team and those undertaken through Implementing Agencies shall be monitored by the designated person of the Implementing Agency, if any and / or the CSR team on a continuous basis. The CSR team may obtain periodic progress report from the Implementing Agencies.

- b. An Impact assessment shall be undertaken if the average CSR obligation in pursuance of subsection (5) of section 135 of the Act in the three immediately preceding financial years is ten crore rupees or more. The assessment shall be undertaken for CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study, through an independent agency.
- c. Appropriate documentation of the CSR Policy, annual CSR projects / programs, executing partners, and expenditure entailed shall be undertaken on a regular basis.
- d. The contents of the Policy and Annual Report on CSR projects / programs to be included in the Board Report and shall also be placed on the Company's website www.bfutilities.com as per the particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7. GENERAL

- a) In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the inputs and the final decision / determination / interpretation shall rest with the Chairman of the Company.
- b) Any or all provisions of the CSR Policy would be subject to revision / amendment in consultation with CSR Committee and in accordance with the guidelines on the subject as may be issued by the Government, from time to time.
- c) The Company reserves its right to modify, cancel, add, or amend any of these Rules. However, this policy, in whole or in part, shall stand modified / amended from time-to-time, without any further act on the part of the Company, as and when there would be any statutory modification(s) / amendment(s) / revision(s) to the applicable provisions thereto.

For BF Utilities Limited

B.N. Kalyani

Chairman

Pune

June 14, 2021