

Corporate Social Responsibility Policy

Preamble :

Concept of Corporate Social Responsibility (CSR) of a Company emanates from the axiom that corporate success and social welfare are interdependent. For the society to thrive, businesses must create opportunities for growth and development of segments of society, and contribute to sustainability. Bharuch Dahej Railway Company Ltd. (BDRCL) also believes in making a positive difference to the society, and engage in CSR activities consistent with its ability therefor.

CSR Vision statement and Objective :

The Company's philosophy in documenting this policy is underpinned by acceptance of its responsibility as a corporate citizen and paramount need for laying down guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. This must necessarily be done consistent with the size and capability of the Company. The Policy aims at addressing one or more amongst the goals of: nurturing socio-economic development schemes for capacity building, livelihood creation, quality education, empowerment of people, etc., with the primary objective of ensuring that benefits reach the targeted recipients. The approach of the Company for implementation of the CSR activities will be so oriented as to identify and formulate projects in response to the need of society, devise transparent monitoring mechanism, and commit total involvement to get desired results in a time bound manner.

Framework of the CSR Activities by BDRCL:

As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, Corporate Social Responsibility (CSR) means and includes but is not limited to:-

- (i) Projects or Programs relating to activities Specified in Schedule VII to the Act; or
- (ii) Projects or programs relating to activities decided by the Board of Directors of a Company in pursuance of recommendations of the CSR Committee of the

Board, to be undertaken as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

The Corporate Social Responsibility (CSR) Policy of Bharuch Dahej Railway Company Limited has been formulated within the framework mentioned hereunder:

- a) Section 135 of the Companies Act, 2013 (hereinafter referred as Act)
- b) The Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred as Rules);
- c) Schedule VII of the Companies Act, 2013 & Amendment to Schedule VII; and
- d) General Circular No 21/2014 issued by Ministry of Corporate Affairs (MCA) on the subject.

Focus areas of CSR Activities of BDRCL:

(a) The CSR Activities intended to be undertaken are required to be related to the activities included in Schedule VII of the Act. The activities mentioned in Schedule VII are as under:

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocational 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 centers 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, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;

- (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 for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) 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 Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects.

(b) Having regard to the nature of its business, scale of operations and expected quantum of expenditure on CSR activities, the Company intends to engage in one or more activities from amongst the following, to begin with:

- (1) Support capacity building through skills based training programs for youth, with a focus on creating employability and entrepreneurship, functional literacy, financial literacy and inclusion. Assistance of an appropriate non-profit organisation – an NGO or a Charitable Institution can be obtained as part of implementation framework;
- (2) Support quality education including special education, and strengthening of education infrastructure; and
- (3) Undertake any other activity / initiative as directed by the CSR Committee, and within the purview of Schedule VII of the Companies Act 2013.

(c) Scope of activities to be undertaken would be reviewed from time to time by the CSR Committee keeping in view emerging circumstances and experience gained.

(5) Key Rules / Guidelines for the CSR Expenditure :

- (1) The prescribed CSR spend, as indicated in Section 135 of the Companies Act, 2013 is at 2% of the Average Net Profit of the Company (duly adjusted for any dividend income received from companies, and any profits from Overseas Branches, if any) made during the three immediately preceding financial years.
- (2) The overall spend will be only on such interventions and programs whose impacts are both meaningful and measurable. Further, the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for the CSR activities.
- (3) The selected projects need to adhere to the following guidelines:
 - (a) The Company will undertake CSR projects / programmes that are in conformity with Schedule VII of the Act;
 - (b) CSR Activities shall not include the activities undertaken in pursuance of normal course of business of the Company;
 - (c) Any surplus arising out of any of the CSR activities / programmes shall not form part of the business profits of the Company;
 - (d) Any activity for the exclusive benefit of the employees of the Company or their family members shall not be considered as a CSR activity;
 - (e) However, the Company may build CSR capacities of its own personnel as well as those of its Implementing Agencies but such expenditure including expenditure on Administrative overheads shall not exceed 5% of the total CSR expenditure of the Company in any one financial year;

(f) The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee through a registered trust or a registered society or a company established under section 8 of the Act by the Company either singly or along with its holding or subsidiary or associate company(ies), or along with any other Company or holding or subsidiary or associate company of such other company or otherwise,

Provided that

- (i) if such trust, society or Company is not established by the Company or with its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- (ii) the Company has specified the projects or programmes to be undertaken through these entities, the modalities of utilization of funds on such projects and programmes and the monitoring and reporting mechanism.

(g) The Company may collaborate with other Companies for undertaking projects or programs of CSR activities in such a manner that the CSR Committee of respective Companies are in position to report separately on such projects and programs in accordance with these rules;

(h) CSR projects and programs or activities undertaken in India only shall amount to CSR expenditure;

(i) Salaries paid by BDRCL to its regular CSR staff as well as to volunteers in proportion to time/hours spent specifically on CSR, can be factored into CSR project cost as part of the CSR expenditure subject to ceiling specified in above (e);

(j) Expenditure incurred on base line survey requiring assessment study, social impact assessment studies etc. would be accounted for as CSR expenditure from the budget allocated; and

(k) Contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity.

(4) In the event the Company fails to spend the amount as per (1) above, the Board of Directors shall specify the reasons for not spending such amount in the Directors' report of that financial year.

(5) The Board of Directors shall ensure that activities included by the Company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the Act.

(6) Effective Date :

This CSR Policy shall be effective from the date of approval of the Board of Directors of the Company.

(7) Disclosure of the Policy :

As per the Act, BDRCL is required to disclose the composition of the CSR Committee and its CSR Policy in the Company's Annual Report and on the website. Further, the details of the CSR activities and programme taken up during the year will also be disclosed.