

(Adopted by the Board of directors on 16 Sept 2019)

Corporate Social Responsibility Policy

I. PREAMBLE

Bharat Fritz Werner Limited (herein after referred as “BFW”) believes that growth, success and progress of a company is not reflected only by its balance sheet but also by its ability to make a positive difference in the lives of people. BFW tries to address the needs of people by taking sustainable initiatives in the areas, among others, health, education, environment conservation, and infrastructure and community development.

At BFW, We do not limit ourselves in using resources only for profits but also engage in activities which enrich and enhance the lives of everyone around us. BFW’s Corporate Social Responsibility (CSR) initiatives are continuous commitment to contribute towards economic development and improve the quality of life. Business decisions are based not only on financial factors, but after considering the social and environmental impact of such decisions.

BFW believes that the true measure of growth, success and progress of a company lies in its ability to improve, enhance and enrich the lives of people. Through its social investments, BFW tries to address the needs of communities residing in the vicinity of its facilities. The Corporate Social Responsibility Policy of the company has been prepared keeping in mind the company’s business ethics and to comply with the requirements of the Companies Act, 2013 and the Companies (Companies Social Responsibility Policy) Rules, 2014.

II. OBJECTIVE

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

IIA. DEFINITIONS:

“**Board**” means Board of directors of the company.

“**Company**” means “**Bharat Fritz Werner Limited**”.

“**Policy**” means “**Corporate Social Responsibility Policy**,”

IIB. INTERPRETATION:

Words, phrases and terms used herein shall have the same meaning assigned to them under the Companies Act, 2013, as amended from time to time.

III. CSR ACTIVITIES & KEY FEATURES OF THE CSR POLICY:

The key features of the Corporate Social Responsibility Policy of the company are:

1. To align with the Corporate Social Responsibility Rules framed by the Ministry of Corporate Affairs, the social investments of the company would be broadly in the areas of health, education, environment conservation and sustainability, and social business projects.
2. CSR activities would be generally conducted as projects or programmes and would be undertaken in the following areas or subjects as specified in Schedule VII:
 - (i) 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.
 - (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 4[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 art and handicrafts;

- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognised 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 govt. for socio economic development and relief and welfare of the schedule caste, 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 govt.
- (x) Rural development projects
- (xi) Slum area development.

Explanation.- For the purposes 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

3. Setting up and operations of a nursing school, providing education to the needy and down trodden children, providing medical treatment and medicine to the needy and poor and promoting Sanskrit language.
4. BFW may set up a Trust or Section 8 Company or Society or Foundation or any other form of entity within India in order to facilitate the implementation of its CSR projects and / or programmes.
5. BFW may also undertake the implementation of its CSR projects and / or programmes through Trusts, Societies, or Section 8 Companies operating in India, which are not set by BFW, and who have an established track record of at least three years in carrying on activities in related areas.
6. BFW may also collaborate or pool resources with its Group Companies or any other Company (ies) to implement its CSR projects and / or programmes.
7. The CSR Committee would recommend to the Board of directors, the projects and / or programmes which are to be undertaken by BFW and shall also recommend the modalities of execution in the areas /sectors chosen and implementation schedules for the same.

8. Based on the recommendation of the CSR Committee, the Board of directors shall decide upon the vehicle through which the CSR projects / programmes would be undertaken i.e. whether the projects and / or programmes are to be undertaken by BFW on its own or by pooling of resources or through a Trust or Section 8 Company or Society or Foundation, whether set up by BFW or not and operating in India, or in any combination thereof.
9. The implementation of the projects and /or programmes would be monitored by the CSR Committee. The primary function of the monitoring mechanism would be to ensure that the allocations are spent for the intended purposes and are spent in India only.
10. The surplus arising out of the CSR projects or programmes would not be a part of business profits of BFW.
11. The corpus for CSR projects and /or programmes would include 2 per cent of the average net profits, any income arising there from and the surplus arising out of CSR activities.
12. BFW shall give preference to the local area and the areas around it where it operates, for spending the amount earmarked for CSR activities.
13. The details of the CSR initiatives would be uploaded in the Company's website.

IV. CSR EXPENDITURE

Company shall spend, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years and CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be utilised for CSR programmes only subject to the provisions of the act.

For the purpose "Net Profit" shall be computed in accordance with the provisions of Section 135 of the Companies Act, 2013 and the underlying rules.

IV. CONCLUSION

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 interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy.