

CORPORATE SOCIAL RESPONSIBILITY

of

THE BRAITHWAITE BURN AND JESSOP CONSTRUCTION CO. LTD.

(CIN : U70100WB1986GOI041286)

Registered Office : 27, R.N.Mukherjee Road, Kolkata-700 001

PREFACE

Department of Public Enterprises has been issuing guidelines on CSR and sustainability activities to Public Sector Enterprises from time to time. In terms of DPE Guidelines issued from time to time (latest comprehensive guidelines issued on 21st October, 2014), implementation of CSR and Sustainability activities was made mandatory for Central Public Sector Enterprises (CPSEs) w.e.f. 01.04.2014 in terms of Government of India Guidelines on Corporate Social Responsibility And Sustainability For CPSEs.

The Ministry of Corporate affairs vide notification dated 27th Feb., 2014 has notified the enforceability of Sec. 135 of Companies Act (i.e. provision for CSR) and Companies (Corporate Social Responsibility Policy) Rules, 2014 w.e.f. 01.04.2014, which prescribes provisions for CSR along with Rules framed thereunder for procedural matters.

In view of above provisions of DPE Guidelines and the Companies Act, 2013, which keeps on changing from time to time, the existing CSR Policy of BBJ needs to be realigned keeping in view the dynamic provisions of the Companies Act, 2013 and rules made thereunder as well as the Govt. Guidelines.

This Policy will replace existing Policy on CSR which was adopted by the Board in its 119th Meeting held on 25th September, 2012 and framed prior to the applicability of Companies Act, 2013.

CSR POLICY OF BBJ

I. Preliminary

THE BRAITHWAITE BURN AND JESSOPP CONSTRUCTION COMPANY LIMITED (BBJ) is a Central Public Sector Enterprise (CPSE) under administrative control of Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Govt. of India. The Management of the company is keen to implement CSR activities more vigorously and in a planned and time bound manner. For the overall guidance of all concerned, designed guidelines in the form of a Policy are necessitated which is also mandatory in terms of provisions contained in the Companies Act, 2013 and Govt. guidelines.

II. Preamble

- CSR is an essential ingredient of corporate governance. CSR is fundamentally a philosophy or a vision about the relationship of business and Society. It is the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. The emerging concept of CSR go beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into company's business process. The Public Sector Enterprises in pursuit of the triple bottom line' of people, planet and profit have to assign a high priority to the adherence of ideals of CSR.
- The corporate industry should invest in environment friendly technology and at the same time the environment as well as the ecology must be protected and safeguarded for the future generations.

- Effective corporate responsibility activities require a good level of commitment from the entire organization and especially the top management who can ensure that CSR is not only practiced but also practiced well.

In the above backdrop, policy on Corporate Social Responsibility of BBJ is broadly framed:

III. Vision and Mission

- **Vision:** Be a Responsible Corporate Citizen deeply committed to Socio - Economic development of the society.
- **Mission:** Actively contribute to the Socio - Economic development of the Communities. In doing so build a better sustainable way of life for the weaker section of the society.

IV. Objective

- To identify and to lend a helping hand to the underprivileged and economically weaker sections of the society and to contribute to their growth and development.
- Meet social obligations by playing an active role to improve the quality of life of the communities and stakeholders on a sustainable basis for inclusive growth in the society.

V. FOCUS AREAS

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:—

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh 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 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.]

The above list shall automatically stand modified on amendment of Schedule VII of the Companies Act, 2019 / Govt. Guidelines, as may be notified from time to time.

VI. Parameters/Guidelines

The new Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 lay stress on shifting from casual approach to the project based accountability approach. There is greater emphasis on identification of areas of projects, laying down clear cut paths to implement programmes as well as their monitoring. It is also prescribed that activities under CSR may undertake through a registered trust or a registered society or a company not established by the company or its holding or subsidiary or associate company or other agencies having established track record of three years in undertaking similar programs or projects.

Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.

CSR schemes were being implemented in line with the provisions contained in DPE guidelines issued in April, 2013 and subsequent notifications from time to time. However, new Companies Act, 2013 and CSR Rules made thereunder is effective from 01.04.2014 and CSR activities be formulated in line with relevant provisions of the Companies Act, 2013 and the Rules including Govt. Guidelines for CPSEs. A brief gist of the same is given as under:

- ❖ **Applicability:** New provision of the Companies Act, 2013 the provisions are applicable for the companies having net worth of Rs. 500 crore or more or turnover of Rs. 1000 crore or more or a net profit of Rs. 5 crore or more during any financial year.
- ❖ **CSR Committee:** Those companies to which the new provisions are applicable have to constitute Corporate Social Responsibility Committee
- ❖ **Scope of work of CSR Committee:** the Scope of work of CSR Committee includes:
 - Formulation / recommendation / modification of CSR policy to the Board
 - Recommendation of amount of CSR expenditure
 - Monitoring the implementation of CSR projects/programs/activities.
- ❖ **Inclusion of Activities in CSR Programme/Project:** As per new provisions activities covered by schedule VII of Companies Act, 2013 shall only be included in CSR programme/project of the Company.
- ❖ **CSR Expenditure :** Minimum 2% of the average net profits of the company during the three immediately preceding financial years.
- ❖ **Disclosure in Board's Reports:** The following details/disclosures or such other information as may be prescribed from time to time under the Companies Act, 2013 and

Govt. Guidelines for CPSEs in respect of CSR Activities are to be included in the Board's Report:

- i. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
- ii. Composition of the CSR Committee.
- iii. Average net profit of the company for last three financial years
- iv. Prescribed CSR Expenditure (two per cent. Of the amount as in item iii above)
- v. Details of CSR spent during the financial year relating to
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year
 - (d) Such other information as may be required from time to time under Companies Act, 2013 read with Govt. Guidelines.
- vi. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
- vii. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

❖ **Display of CSR Policy on website.-** The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website.

VII. Constitution of CSR Committees

The Board level committee headed by the Independent Director and the below Board level team headed by the nodal officer will constitute the two-tier organisational structure within the organisation to steer the CSR agenda of the company and to ensure implementation of activities and utilization of funds in a time bound manner. **BBJ** has already constituted these Committees and the same are functional. However, the committee may be re-constituted as and when required.

A. BOARD LEVEL CSR COMMITTEE

• Constitution of the Committee:

- i. the Committee shall have at least three members out of which minimum one member shall be Independent Director.
- ii. the Company Secretary or any other suitable incumbent will be nominated as its Member Secretary.
- iii. the Scope, Terms of Reference and Powers etc of the Committee will be determined at the level of the Board of Directors in line with applicable Acts, Rules, Regulations and Govt. guidelines.

It is to be clarified that the existing CSR & Sustainability Committee of **BBJ** shall be deemed to be CSR Committees constituted under the Companies Act, 2013 and/or Rules made thereunder.

• **Meetings of the Committee**

- a. The Committee shall meet as and when required.
- b. The quorum shall be either two members or one-third of the total members whichever is greater, but there should be a minimum of one Independent Director present, if any.

However, during the period when there is no Independent Director appointed by the Govt., the remaining Directors of the Committee, subject to minimum two members shall be the Quorum.

- c. The committee may transact business through circular resolution.

• **Functions, Duties/Role of the Board level CSR Committee:**

The committee will:

- i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act.2013 and as amended from time to time including Govt. Guidelines.
- ii. recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- iii. monitor the Corporate Social Responsibility projects/programs/activities.

B. The Internal Committee

• The Internal Committee headed by a fairly senior officer not less than one rank lower to the Board level to function as the nodal officer, will be constituted. The designated nodal officer will have a team of officials to assist him / her in co-ordination work, which will in no way detract from the importance of CSR work. The composition of the team of officials constituted to assist the nodal officer is to be decided by the Board of Directors, or the Board level committee.

• The duties, functions and the role to be played by the Committee will be as under:

- i. Prime duty of the Internal Committee would be to provide necessary help and assistance to the Board level CSR Committee in identification, finalization, implementation and monitoring of various activities/ schemes /projects / programmes under CSR.
- ii. With a view to have a baseline data and to ascertain basic needs/ requirements of the people and the area, the Internal Committee will ensure conducting of a Survey on the basis of which requisite schemes /projects will be identified for implementation.
- iii. After the identification of Schemes/Projects, the Internal Committee will prepare the Draft Annual Plan keeping in view the availability of funds and put up the same to the Board level CSR Committee.

- iv. The committee will scrutinize all such projects and schemes as received from various quarters for financial assistance and put up the same to the Board level CSR Committee with its comments/recommendations.
- v. If need be, to interact with the Organisations/Agencies for finalization of Schemes etc.
- vi. To prepare a panel of agencies/organizations keen to implement CSR activities and programmes.
- vii. To carry out any other task assigned by the Board level CSR Committee.
- viii. The meetings of the Committee may be held as per the exigencies of work.

• **Constitution and Strengthening of the Internal Committee**

The CMD will be the competent authority to nominate/change/ replace the members of the Committee. The management will ensure adequate strengthening of the Internal Committee so as to enable it to discharge its duties/responsibilities expeditiously, smoothly and efficiently.

The CMD will be the competent authority to sanction and incur any amount of expenditure for this purpose. Prescribed procedure may be followed for making any recruitment of personnel etc.

VIII. Budget for the CSR Activities

- i. The Board level CSR Committee shall recommend to the Board yearly budget for CSR activities.
- ii. The budget recommended by the committee shall be minimum 2% of the average net profits of the company during the three immediately preceding financial years. Here a net profit means net profit as defined in Companies (Corporate Social Responsibility Policy) Rules, 2014.
- iii. The company will mandatorily create a CSR Budget through a Board resolution. Unutilized budget will not lapse and will have to be carried forward to the next year and will be spent within next two financial years.
- iv. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

IX. Implementation, Monitoring Evaluation and Impact Assessment

- i. CSR activities to be implemented within the organization through the active involvement of the employees.
- ii. As monitoring of activities is of paramount importance, the Board level CSR Committee will keep a watchful eye on the implementation. Periodic review of progress will also be ensured.
- iii. Similarly, Board of Directors will also be apprised of the implementation progress in its meetings.

X. Documentation/Reporting/Transparency

40

- i. The Company shall include details in its Annual Report relating CSR activities in the format as prescribed under the Companies (Corporate Social Responsibility Policy) Rule, 2014.
- ii. The policy on CSR and the activities carried out under it, also be uploaded on the website of the Company. Efforts will be made to make the whole process transparent as far as possible.
- iii. The impact made by the CSR activities will be quantified to the best possible extent.

XI. MOU Parameters

Since, **BBJ** is a CPSE, it has to follow the DPE guidelines on CSR and parameters fixed as per MoU signed with the Administrative Ministry (i.e. Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises).

Therefore, following parameters will also be taken into consideration:

- i. the company will submit details of as many projects as required for the purpose of annual MoU evaluation.
- ii. Expenditure on CSR activities/projects/programmes.
- iii. Timely completion of the projects as per MoU.

XII. Collaboration with other Companies

BBJ may also collaborate with other companies for undertaking CSR projects or programs or activities in such a manner that each company's part in such activity may separately be Identified.

XIII. Exclusions

Following activities, or such other activities as may be notified from time to time, shall not be considered as CSR activities as per Section 135 of the Companies Act, 2013:

- CSR projects or programs undertaken outside India
- CSR projects or programs that benefit only the employees of the company and their families
- Contribution of any amount directly or indirectly to any political party
- CSR activities does not include the activities undertaken in pursuance of normal course of business of a company.
- Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the areas or subjects specified in Schedule VII] of the Act.

XIV. Applicability/Enforceability

This modified policy shall be effective from 01.04.2019.

XV. Amendment

Any modification/amendment in the CSR policy may be carried out by the Board on the recommendation of Board level CSR Committee of the Company. The policy will be subject to change as per applicable Act, Rules, Regulations and Government Guidelines.

XVI. Others

Should anything contained in these Rules, or in any amendment made thereof, be inconsistent with the provisions of the Companies Act, 2013 or Rules made thereunder or any amendments thereto, or any other directives of the Government/DPE in the matter, the same shall be ineffective to the extent of inconsistency. This CSR Policy shall stand automatically modified, by addition or deletion, to the extent provided under the Act or Govt. Guidelines through notification, as may be notified from time to time.
