

## PREAMBLE

**Bharuwa Solutions Private Limited**, a trusted Swadeshi Brand, offer IT Services and Solutions with Quality, Time, Technology, Innovation. Bharuwa Solutions is a highly innovative IT Service & Software Development company based in Haridwar. Established in 2019 with "Swadeshi Spirit" to provide digital innovations for businesses in the "Indian Information Technology Industry" - through total customer satisfaction. We are pioneer in providing superior and world standard based IT solutions for small to large corporate companies, Organizations and Government.

We are leading, highly innovative software house, systems integrator and technology provider, established to provide leading edge intelligent technical solutions services to businesses, organizations and government in order to allow the efficient and effective secure access and communication with various heterogeneous information resources and services, anytime and anywhere.

We also have special expertise in Software development – providing specialized products, IT services and custom end to end solutions to our customer enterprise. We gain competitive advantage from these distinctive capabilities and have developed the ability to implement and manage complex IT systems in changing times with greater effectiveness than many competitors. In the last 2 years Bharuwa has provided its services to a large customer base in all over the country, offering considerably lower priced services than Industry norms.



With the advent of globalization, emergence of corporations and conglomerates is obvious, due to which, the pressure on business towards corporate governance, ethics, values and disclosures as well as some return to society, have increased. Along with regulatory frameworks a number of voluntary frameworks and guidelines require businesses to disclose the manner in which the business is being conducted and also ensure certain level of welfare activities by the Corporates towards the social responsibility.

**Bharuwa Solutions Private Limited** recognises and remains always committed towards sustainable development and inclusive growth. It strives to ensure strong corporate culture with emphasize on integrating Corporate Social Responsibility (CSR) values with business objectives introducing initiatives related to quality management, environment preservation, social awareness and welfare activities towards overall national growth.

## REGULATORY REFERENCE

This "CSR Policy" has been framed in accordance with the applicable provisions of the Companies Act, 2013 (" the Act") and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules").

Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that the Company fails to meet the thresholds set out under Section 135(1) of the Act for three consecutive Financial Years, it shall not be required to:

- (i) Constitute/maintain the CSR Committee; and
- (ii) Comply with the provisions contained in sub section (2) to (6) of section 135 of the Act till such time as it again meets the criteria specified in Section 135(1) of the Act.





## AMENDMENTS AND ADDITIONS

Section 135 of the Companies Act, 2013 and the relevant Rules, 2014 have been amended from time to time, specially, the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide notification dated 22<sup>nd</sup> January, 2021 and various circulars issued time to time in the year 2020 and 2021 making it necessary to insert the amendments in the Policy, accordingly the CSR Policy has been amended by this document.

## DEFINITIONS

“**Act**” means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

“**Administrative Overheads**” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

“**Board**” means Board of Directors of the Company.

“**Company**” means Bharuwa Solutions Private Limited.

“**CSR Activities**” means such programs and projects as may be approved by the Board in terms of this CSR Policy.

“**CSR Committee**” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

“**CSR Rules**” means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

“**CSR Expenditure**” means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.

“**CSR Policy**” means a statement containing the approach and direction given by the board of the company, taking into account the recommendations of CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan.

“**Director**” means a member of the Board of the Company.

“**Net Profits**” the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

(i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and



(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.

**"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.

**"Society"** means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.

**"Trust"** means a public charitable trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

#### **FOCUS AREA**

- Improving nutrition awareness of Communities.
- Making India an ideal place for the growth and development of Ayurveda and a prototype for the rest of the world.
- To protect the environment, make the business as an environment friendly and to ensure environment sustainability.
- To provide modern education through Gurukul System  
To reduce the stress and duress in society arising out of calamities, pandemic, etc.

#### **CSR IMPLEMENTATION**

The CSR Activities may be undertaken by the Company by itself and/or through any of the following entities being duly registered with the Central Government and having a unique CSR Registration Number:

- (a) Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities



The company may collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.

## **CSR COMMITTEE, ITS COMPOSITION & MEETINGS**

- **CSR Committee**

In compliance with the provisions of section 135 of the Act, a CSR Committee has been constituted by the Board to oversee the CSR agenda of the Company. CSR Committee at all times comprise a minimum of 3 directors out of which at least 1 director would be an Independent Director. Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more Directors. Constitution of the CSR Committee can be changed by the Board from time to time.

The Company has in place a Corporate Social Responsibility (CSR) Committee pursuant to a resolution passed at a Board Meeting held dated 11<sup>th</sup> November, 2020 as per the requirement of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The following are the members of CSR Committee:

<u>S.No.</u>	<u>Name of Member</u>	<u>Designation</u>
1.	Shri Gagan Kumar	Chairman
2.	Smt. Anshul Sharma	Member

As per the notification issued by Ministry of Corporate Affairs dated 28<sup>th</sup> day of September, 2020 read with notification issued dated 22<sup>nd</sup> January, 2021 with respect to withdrawn the provisions to constitute the CSR Committee by those companies do have the spent amount for CSR Contribution not more than INR 50,00,000/- (Rupees Fifty Lacs Only), the Company do not have the spent amount more than INR 50,00,000/- (Rupees Fifty Lacs Only) for CSR Contribution. Hence, Company has dissolved the existing CSR Committee in the Board meeting held on 12<sup>th</sup> March, 2021.

**Board of Directors of the Company will look after the CSR Contribution provisions** as per the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

- **Frequency of Meetings** – the Board will meet as and when required.
- **Quorum**- Minimum of two Members shall form the Quorum.
- **Invitees** - Board may at its discretion invite Associates/others, to attend and participate at the meeting.





- **Resolutions** -All decisions shall be taken by simple majority. In case of equality of votes on any matter, Chairman shall have a casting vote. The Board can also pass the resolution by circulation.
- **Minutes** -Minutes of the proceedings and resolutions of the Board meetings shall be signed and confirmed by the Chairman of the meeting. Minutes so signed and confirmed shall be conclusive evidence of such proceedings and resolutions. Minutes of all Board meetings will be open for inspection at any reasonable time on reasonable notice by any member of the Board of Directors of the Company.

The Board shall formulate, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:

1. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
2. the manner of execution of such projects or programmes as specified in sub-rule (1) of CSR Rule 4;
- 3: the modalities of utilization of funds and implementation schedules for the projects or programmes;
4. monitoring and reporting mechanism for the CSR projects or programmes; and
5. details of need and **impact assessment**, if any, for the CSR projects undertaken by the company

No member of the Board shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.

#### **CSR BUDGET & EXPENDITURE**

1. The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.
2. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

#### **TREATMENT OF SURPLUS**

Any surplus arising out of the CSR Activities **shall not** form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.

#### **CSR ACTIVITIES**

The CSR activities, projects and programmes that will be undertaken by the Company shall be those as may be approved by the Board. The Board will approve the undertaking of such activities, projects and programs as are covered under the following areas set out in Schedule VII of the Companies Act, 2013:





- i) Eradicating hunger, poverty and malnutrition, promoting 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, 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, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- 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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (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;
- ix) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- x) Rural development projects;
- xi) Slum area development;
- xii) Disaster management, including relief, rehabilitation and reconstruction activities;



## **IMPLEMENTATION AND MONITORING**

1. The implementation schedule for each approved activity, project or programme shall also be approved by the Board and all such activities, projects and programmes will be accordingly monitored by the Board.

## **REPORTING**

The Board's report of the Company shall include an Annual Report on CSR and such other details as may be prescribed from time to time under the Act and the Rules.

In respect of the reporting, the Board will be responsible to ensure that:

- (i) The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
- (ii) The contents of the latest and updated version of the CSR Policy is included in the report of the Board;
- (iii) The contents of the CSR Policy along with composition of the CSR committee (if applicable), and projects approved by the Board are also made available on the website (if any) of the Company.
- (iv) In case of failure to ensure the minimum CSR, detailed reasons for the same are adequately disclosed in the Board Report.
- (v) If Company having average CSR obligation of Rs. 10 crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding Financial Years, then it shall undertake impact assessment, through an independent agency, of their 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.
- (vi) The Impact Assessment Reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.

## **REVIEW**

This policy is framed pursuant to the provisions of the Companies Act 2013 and rules there under. In case of any subsequent changes in the provisions of the Companies Act 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Board as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Board.

## **AMENDMENTS**

CSR Policy would be subject to revision/ amendment by the Board of Directors of the Company in accordance with the guideline on the subject as may be issued, from time to time.

