

BGR ENERGY SYSTEMS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Title and Applicability

BGR Energy Systems Limited ('Company') adopted this Corporate Social Responsibility Policy ('Policy') in accordance with section 135 of the Companies Act, 2013 and the rules made there under.

2. CSR Mission Statement

The Company, through its CSR programs, is committed to contribute to the cause of social, economic and infrastructural development of places and locations where its operations are carried on and thereby seeks to support and promote such society and community and earn goodwill of the public and authorities concerned.

3. Validity of CSR Policy

This CSR policy may remain valid until and otherwise modified by the Board.

4. CSR Programme Areas

The Company's CSR activities may, without restriction and among other things, may take up any permissible programs or projects, in the following areas as per the provisions of Schedule VII referred to in Section 135 of the Companies Act, 2013:

1. Eradication of hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
2. Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
3. 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.
4. 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.
5. 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.

6. Measures for the benefit of armed forces veterans, war widows and their dependents.
7. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
8. 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development projects.
11. To do all such things as may be necessary for or conducive to the advancement of the objects above mentioned;

5. CSR Budget

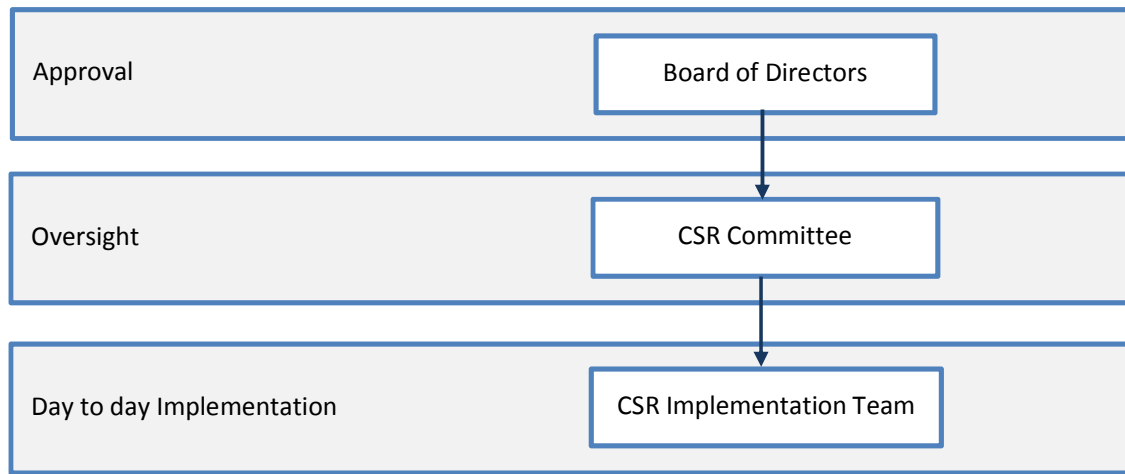
1. The Company will endeavour to spend at least 2% of the average net profits made during the immediate three preceding financial years (CSR Budget).
2. Any unspent CSR budget will be kept in a CSR Fund (Corpus) created by the company. This Fund would also include any income arising there from and any surplus arising out of CSR activities.
3. Any surplus arising out of CSR projects shall not form part of business profits of the Company.
4. The Company may collaborate or pool resources with other credible organisations with proven track record to undertake CSR activities.

6. CSR implementation

1. The CSR projects will be implemented with clear objectives, plan, targets and robust monitoring and evaluation mechanisms.
2. Where and if necessary, the Company will enter into arrangements with the government, not for profit organizations, business partners and communities.
3. The Company will set up dedicated teams for implementation of CSR projects. The mode of implementation will include a combination of direct implementation and implementation through trust/foundation/society set up by the Company and its Promoter Family such as Foundations, Registered Societies, Trusts, etc. The Company will select its partners after appropriate due diligence.

4. The Company will use services of expert agencies, consultancy firms etc. wherever required for carrying out baseline surveys, guidance on project design and implementation, third-party monitoring and evaluations, impact assessment surveys etc.
5. The teams responsible for implementing various CSR projects are mentioned in the section on the Governance Structure of the Policy.

7. CSR Governance Structure



8. Roles and responsibilities

A. The Board

The Board of Directors of the Company will be responsible for:

1. Approval of the CSR Policy of the Company
2. Disclosing the content of the Policy in its report and place the Policy on the Company's website in such a manner as prescribed under Section 135 of the Companies Act, 2013 read with the CSR Rules
3. Ensuring that the social projects included in the Policy are undertaken by the Company
4. To enable the Company to spend, in every financial year the CSR Budget,
5. To report shortfall in spending CSR Budget with detailed analysis and reasons.

B. CSR Committee

- i. Composition of the CSR committee: The composition of the CSR Committee of the Board is as under.

S. No.	Name	Designation/Category	CSR Committee
1	Mrs.Sasikala Raghupathy	Chairman	Chairman
2	Mrs.Swarnamugi Karthik	Director - Corporate Strategy	Member
3	Mr.Gnana Rajasekaran	Independent Director	Member

- ii. The Board shall have the power to make any change(s) in the constitution of the Committee.
- iii. Responsibility of the CSR Committee:

The CSR Committee is responsible for the following:

- a. Formulate and recommend the CSR Policy to the Board for approval.
- b. The Committee shall indicate the projects to be undertaken by the Company as specified in Schedule VII.
- c. Monitor the Policy from time to time and recommend changes to the Board.
- d. Recommend the amount of expenditure to be incurred on CSR projects
- e. Formulate a transparent monitoring mechanism for ensuring implementation of CSR projects undertaken by the Company.

C. CSR Implementation Team

Responsibility of the CSR Implementation Team shall be as given below:

- i. Act as central coordinating point for the delivery of CSR activities
- ii. Co-ordinate with the implementing departments for project design and implementation of CSR programmes in compliance with section 135 of the Companies Act and the CSR Rules
- iii. Plan annual budgets for CSR projects in co-ordination with the implementing persons and make a proposal to the CSR Committee
- iv. Identify and manage partners to implement programs as required
- v. Report to the CSR Committee the progress on CSR projects and status of CSR expenditure once in each quarter
- vi. Documentation and reporting of all CSR activities of the Company in pursuit of the Companies Act and the CSR Rules
- vii. Any other activities advised by CSR Committee that may be required to effectively deliver the CSR programs of the Company

9. **Monitoring and Reporting Framework**

- a. The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each social project has:
1. Clear objectives developed out of the genuine societal needs
 2. To set clear targets, timelines and measurable parameters wherever possible
 3. A progress monitoring and reporting framework aligned with the requirements of the section 135 of the Companies Act and the CSR Rules
- b. The CSR progress monitoring authorities and the frequency of review is given below:

Sr. No.	CSR Progress Review and Monitoring Authority	Frequency of review
1	Board of Directors	Annually
2	CSR Committee	Half Yearly
3	CSR Implementation Team	Monthly

- c. The Company will establish an accounting system to ensure project wise accounting of CSR funds.
- d. The Company will monitor progress on CSR projects and CSR fund utilisation and report to the designated member of CSR Committee quarterly.
- e. The Company will report CSR performance in its annual report as per the structure and format prescribed in the notified CSR Rules.

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