

-: CSR POLICY OF BMR HVAC Limited: -

CIN U34300MH2007PLC250865

Introduction: -

BMR HVAC Limited (BMR HVAC/ Company) is a leading company in HVAC products. Previously it was known as Haryana Auto Components Limited. BMR HVAC Limited is engaged in the business of making refrigeration seal system components for the appliance Industry and having plant locations at:

- a) Plant I at Plot No.175, Sector 25, Faridabad-121005 (Haryana);
- b) Plant IV at Plot No.89, Sector 25, Faridabad-121005 (Haryana);
- c) Plant III-A, Building No. B-100-B, Indospace, Plot No A-1/1/2, A Block, MIDC Industrial Estate, Ranjangaon, Taluka Shirur, Dist. Pune-412220, Maharashtra;

BMR HVAC has undertaken/shall continue to undertake appropriate Corporate Social Responsibility (CSR) measures having direct, measurable and positive economic, social, and environmental impact on the community with particular emphasis on the local area and areas around its factory.

BMR HVAC's mission is to contribute towards improving the quality of life of the communities living in local areas. We believe that our success in operating the organization is critically dependent on following participatory development -oriented approach that strengthens our bond with society in general.

Guiding Principles: -

BMR HVAC Limited in its continuous efforts to positively impact the society, especially the local areas around its factory, has formulated policies for social development that are based on the following guiding principles:

- 1) Honour the spirit of law and be a responsible corporate citizen.
- 2) Pursue growth through harmony with the community via innovative management techniques.
- 3) Adopt an approach that aims at achieving a greater balance between social development and economic development.
- 4) Work towards elimination of all barriers for the social inclusion of disadvantaged groups - such as the poor, socially backward, differently abled and others.
- 5) Develop practices aimed at inclusive growth.
- 6) Thrust on Environment Protection.
- 7) Harnessing natural resources and non-conventional energy sources.

Policy: -

1. BMR HVAC may undertake CSR activities, preferably in and around the areas of its operations.
2. BMR HVAC may undertake its CSR projects, programmes and activities either directly or through external implementing agencies as may be permitted by applicable laws from time to time.
3. The CSR projects, programmes and activities shall relate to following areas:

BMR HVAC CSR projects targets inclusive growth of all stakeholders under the categories, mentioned under Sch. VII of The Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

These primarily fall as under;

- a) 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;
- b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) 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;
- d) 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 including contribution to Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
- e) 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;
- f) 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;
- g) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- h) contribution to the prime minister's national relief fund 8[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;
- i)- (a) 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

**[Ver.2 - Revised by the Board of Directors at its meeting held on 15th February, 2022]*

i)- (b) 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).

j) rural development projects;

k) Slum area development;

l) disaster management, including relief, rehabilitation and reconstruction activities.

m) Other items, and activities and funds as may be prescribed from time to time under Schedule VII of Companies Act 2013.

CSR Projects: -

The initiatives / activities undertaken by the Company for every project/ programme in fulfilment of its CSR obligation, may be divided into below categories:

1. One-time activities: shall include support extended for one-time events such as distribution of nutritional kits in schools, donation to charitable trusts/ temples, etc.

2. Short term projects: that are for a duration of less than one year, excluding the financial year in which the project has been initiated.

3. Long term projects: that are for a duration of one year or more but less than two years excluding the financial year in which the project has commenced.

4. Ongoing projects: means a multi-year project(s) undertaken by the Company having timelines not exceeding three years excluding the financial year in which it was commenced.

Modalities & Execution of Projects / Programs: -

1. Identification of CSR initiatives /activities

The CSR committee of the Company shall identify projects to be undertaken and implementing agencies eligible for undertaking CSR activities, based on guiding principles and key focus areas, as laid down in the Policy.

2. Engagement model

The Company shall evaluate and decide the engagement model depending on the nature of the CSR project. Considering the expertise required and resource allocation for identified project, CSR initiatives may either be undertaken:

- i. directly by the CSR team of the Company; and/ or
- ii. in partnership with any of the eligible implementing agencies

3. Utilization certificate

Fund released / to be released to the implementing agency would be based on the satisfactory utilization certificate duly certified by an authorized officer / principal officer of implementing agency and satisfactory performance report submitted by the said person, as may be decided by the CSR committee.

Monitoring/ Review of the CSR activity: -

The CSR activities undertaken by the Company shall be reviewed as per the annual action plan approved for each activity in the following manner:

- i. CSR team/ function shall review these on a six monthly basis and submit a report to the Head – CSR responsible for implementing and monitoring the CSR initiatives / activities of the Company. The progress report shall encompass an update on every project and suggest course correction/ revision, if necessitated.
- ii. The CSR Committee of the Company shall review the progress of every project, CSR expenditure vis-à-vis the budget and proposals, if any, at least on a half-yearly basis.

Role of CSR Committee: -

The role of CSR Committee shall, inter alia, encompass the following:

1. Conduct meetings, as and when required, to review the implementation of CSR programmes /activities of the Company.
2. Review proposals for new CSR projects and if deemed fit, recommend to the Board for approval.
3. Review the CSR Policy and recommend revisions, if any, to the Board for approval.
4. Formulate and recommend to the Board, an annual action plan or any revision thereto, in pursuance of its CSR Policy, which shall include the following, namely:
 - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of such projects or programmes;
 - c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d. monitoring and reporting mechanism for the projects or programmes; and
 - e. details of need and impact assessment, if any, for the projects undertaken by the Company.

Role of Board of Directors: -

**[Ver.2 - Revised by the Board of Directors at its meeting held on 15th February, 2022]*

The role of Board of Directors shall, inter alia, encompass the following:

1. Review and approve revision to the CSR Policy of the Company based on the recommendation of the CSR Committee.
2. Ensure fulfilment of CSR obligations of the Company as prescribed under Section 135 of the Act and Rules thereunder.
3. Ensure that minimum of 2% of average net profit (before tax) of the last three years is spent on CSR initiatives / activities undertaken by the Company or as may prescribed by Act.
4. Review and approve new CSR projects to be undertaken by the Company.
5. Review and approve budget, as may be proposed for CSR projects of the Company and review the CSR expenditure, every half year to ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.
6. Review and approve the annual action plan or any revision thereto, in pursuance of its CSR Policy, as may be recommended by the CSR Committee.
7. Ensure that the CSR activities are undertaken by the Company either itself or through any of the implementing agencies as defined under the Rules of the Act.
8. Monitoring the implementation of Ongoing Projects with reference to the approved timelines and year-wise allocation and make modifications, if any, for smooth implementation of the project within the overall permissible time period.
9. Review and approve the Annual Report on CSR.

Review and Amendments to the Policy: -

The CSR Committee shall review the Policy as and when necessary or upon any changes required in the Policy on account of regulatory amendments and if necessitated, recommend changes to the Policy, to the Board.

For BMR HVAC Limited

Sd/-
Mr. Inderjeet Chopra
Chairman & Managing Director

Sd/-
Mr. Rishi Kumar Bagla
Director

Sd/-
Mr. Omprakash Somani
Executive Director

Sd/-
Mr. Praveen Tulashan
Independent Director

****** End of Policy ******