

# **BB VIRTUALS PRIVATE LIMITED**

---

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF BB VIRTUALS PRIVATE LIMITED**

# **BB VIRTUALS PRIVATE LIMITED**

## **I. PREAMBLE:**

Ministry of Corporate Affairs ('MCA') has issued guidelines on Corporate Social Responsibility under Section 135 of Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy), Rules 2014 as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Rules") to companies meeting certain criteria.

Corporate Social Responsibility ("CSR") is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

## **II. OBJECTIVE OF THE CSR POLICY IS TO**

- To develop a strategy for the Company's CSR objectives.
- To establish relevance of potential CSR activities to the Company's core values and create an overview of activities to be undertaken in line with Schedule VII of the Act.
- To establish a process and mechanism for the implementation and monitoring of the CSR activities for the Company.

## **III. APPLICABILITY OF THE CORPORATE SOCIAL RESPONSIBILITY**

In India, the concept of CSR is governed by Section 135 of the Companies Act, 2013 ("Act"), which became applicable w.e.f. April 01, 2014.

The CSR provisions within the Act is applicable to companies:

- A. having net worth of rupees five hundred crore or more, or
- B. turnover of rupees one thousand crore or more or
- C. a net profit of rupees five crore or more during the immediately preceding financial year.

BB Virtuals Private limited ("the Company") falling within the ambit of the above-mentioned clauses needs to comply with the said section and rules related to CSR.

## **IV. DEFINITIONS:**

- a. "Act" means Companies Act, 2013 and rules framed therein.
- b. "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;
- c. "Board" means Board of Directors of the Company
- d. "Company" means BB Virtuals Private Limited.

# **BB VIRTUALS PRIVATE LIMITED**

e. “**Corporate Social Responsibility (CSR)**” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in CSR Rules, but shall not include the following, namely:-

- i. activities undertaken in pursuance of normal course of business of the Company;
- ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- v. activities supported by the companies on sponsorship basis for deriving marketing benefit for its products or services;
- vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.

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

g. “**CSR Policy**” means a statement containing the approach and direction given by the board of a 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.

h. “**Directors**” means individual Director or Directors on the Board of the Company.

i. “**Net profit**” means the net profit as per financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

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

j. “**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.

Words and expressions used and not defined in these rules but defined in the act shall have the same meanings respectively assigned to them in the Act.

# **BB VIRTUALS PRIVATE LIMITED**

## **V. ROLE OF BOARD OF DIRECTORS:**

- a) The Board of Directors of BB Virtuals Private Limited will approve the Corporate Social Responsibility Policy for the Company and disclose contents of such Policy in its report; and also place it on the Company's website in a manner prescribed; and ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company.
- b) The Board of a Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.
- c) Approve the annual action plan of CSR. Further, the Board may alter the said action plan at any time during the financial year, based on the reasonable justification to that effect.
- d) The Board shall ensure that the CSR activities and CSR expenditure are undertaken as per Section 135 read with relevant rules as amended from time to time.
- e) The Board shall monitor the implementation of the ongoing project with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.

## **VI. CSR COMMITTEE:**

- f) The Board shall constitute the committee if the amount to be spent by a company exceeding fifty lakh rupees in a financial year.
- g) The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.
- h) The CSR Committee shall consist of at least two / three directors of the Company having atleast two / three directors as the case may be. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.

## **VII. CSR ACTIVITIES:**

Activities to be undertaken by the CSR committee as per Schedule VII of Companies Act, 2013 as amended from time to time. Below mentioned is the illustrative list of Schedule VII:

- 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.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

# **BB VIRTUALS PRIVATE LIMITED**

- 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.
- 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 the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga
- 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.
- 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.
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- 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 government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.
- 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 as prescribed, engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.

## **VIII. APPROACH TO IMPLEMENTATION**

- a. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and Rules.
- b. The Board of Directors of BB Virtuals Private Limited may take up the above-mentioned activities by itself or through:
  - 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, established by the Company, either singly or along with any other Company, or

# BB VIRTUALS PRIVATE LIMITED

- a 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.
- a 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
- any entity established under an Act of Parliament or a State legislature; or

## IX. CSR EXPENDITURE:

The Board shall ensure that the Company spends, in every financial year, at least **two per cent of the “Average Net Profits” of the Company made during the three immediately preceding financial years**, in pursuance of its Corporate Social Responsibility Policy.

- 1) The Company will give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.
- 2) The CSR expenditure be done in India only except for training of Indian sports personnel representing any State or Union territory at national level or India at international level can be done outside India.
- 3) Administrative overheads shall not exceed 5% of total CSR expenditure for the financial year.
- 4) Any surplus arising out of CSR Project-
  - shall not form part of the business profit; and
  - shall be ploughed back into the same project; or
  - shall be transferred to the Unspent CSR Account within 1 month of end of FY and spent as per CSR Policy and annual action plan; or
  - shall be transferred to Fund specified in Schedule VII, within 6 months of end of FY.

If a Company spends on CSR in excess of the requirement, such excess amount may be set- off against the requirement of the CSR Spending u/s 135(5) up to the immediate succeeding 3 Financial years subject to conditions that

- the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- the Board of the Company shall pass a resolution to that effect.

# **BB VIRTUALS PRIVATE LIMITED**

---

## **X. CSR REPORTING AND MONITORING:**

- The Company shall annex with its Board Report an annual report on CSR in the prescribed format
- If the company fails to spend the amount earmarked for CSR as per sub-section (5) of section 135, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.
- The Company shall furnish a report on Corporate Social Responsibility in **Form CSR-2** as provided under Companies Act, 2013 to the Registrar.

## **XI. REVIEW OF THE POLICY:**

The Policy shall be amended or modified with approval of the Board. The Policy shall be reviewed by the Board as and when necessary. Consequent upon any amendments in the Act or CSR Rules or any change in the position of the Company, necessary changes in this Policy shall be incorporated and approved by the Board on the recommendation of the Corporate Social Responsibility Committee.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislations, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy