



BRAHMOS AEROSPACE

Corporate Social Responsibility

BrahMos – CSR Policy

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**Issued by Order of the Board of Directors
(As approved by Board on)**

Sd/-

Company Secretary

1. CONCEPT

1.1 PREAMBLE

1.1.1 The concept of Corporate Social Responsibility has gained prominence from all avenues. Social Responsibilities are embedded in human culture and being responsible corporate citizens, the Organizations also adopt the concept of CSR for contributing towards the betterment of society. BrahMos is well aware of its responsibilities towards society and has been contributing towards CSR activities over the last several years. This Policy is aimed at defining the Company's Philosophy on CSR activities and thereby set guidelines for implementation of the same.

1.2 INTRODUCTION

1.2.1 Corporate Social Responsibility (CSR) is defined as " the ethical behaviour of Company towards the Society". CSR is a Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. CSR has become increasingly prominent in the Indian Scenario because Organizations have realized that besides growing their businesses it is also vital to build trustworthy and sustainable relationships with the community at large. Another reason fuelling this rapid adoption of CSR is the state of the Indian society. Though India is one of the fastest growing economies, socio- economic problems like poverty, illiteracy, lack of healthcare etc. are still ubiquitous and the government has limited resources to tackle these challenges. This scenario has opened up several areas for businesses to contribute towards social development.

1.2.2 In the present context, CSR for BrahMos means not only investment of funds for social activities but also integration of Business processes with Social processes towards a goal of Sustainable Development of the society.

1.2.3 BrahMos shall continue to have among it objectives the promotion and growth of the national economy through working in association with National Industries thereby increasing productivity, effective utilization of material and manpower resources and continued application of modern

scientific and managerial techniques, in keeping with the national aspiration. BrahMos shall continue to be mindful of its social and moral responsibilities to its stakeholders and the Society at large.

1.3 SHORT TITLE & APPLICABILITY

1.3.1 This Policy, which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large, is titled as the "BrahMos CSR Policy."

1.3.2 This Policy shall apply to all CSR initiatives and activities taken up by BrahMos. Efforts will be made to cover various Work Centres and locations of BrahMos, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

1.4 CSR Vision Statement & Objectives

1.4.1 In alignment with vision of the Company, BrahMos, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with environment concern.

1.4.2 BrahMos was aware of Corporate Social Responsibility even much before the issue of CSR scheme became a global concern, and was contributing towards this noble cause. The main objective of the CSR Policy is to transform the present activities into a structured, organized and effective commitment towards the society by exhibiting social, environmental and ethical responsible behaviour in governance of its operation which can generate value and long term sustainability of itself while making positive contribution in the betterment of society.

1.4.3 The main objectives of BrahMos CSR Policy is to :

- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To directly or indirectly take up programmes that benefit the communities of the Country and results over a period of time in enhancing the quality of life and economic well being of the local populace.
- To generate, through its CSR initiatives, a community goodwill for BrahMos and help reinforce a positive & socially responsible image of BrahMos as a corporate entity.

1.4.4 In a broader perspective, the main guidelines of the BrahMos CSR Policy includes following core elements:

- **Care for all stakeholders** : BrahMos respects the interests and is responsive to all stakeholders, including shareholders, employees, customers, suppliers, project associated people and society at large and tries its best to create value for all of them.
- **Respect for Human Rights** : BrahMos always respects human rights for all and is against any human right violation.
- **Respect for the Environment:** BrahMos has adopted stringent measures to prevent environmental pollution. We are managing natural resources in a sustainable manner by ensuring optimal use of resources like land and water. We are always promoting efficient use of energy and environment friendly technologies.
- **Activities for Social Development** : BrahMos aims in enhancing welfare measures of the society based on the immediate and long term social and environmental commitments by providing support directly or through Non Profit Organizations / Voluntary Organizations etc. under a variety of programmes in order to empower the downtrodden people of the society.

2. RESOURCES

2.1 Funding & Allocation

2.1.1 For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, BrahMos will allocate its Annual CSR Budget at the commencement of each financial year.

2.1.2 From the annual CSR Budget allocation, a provision will be made towards various expenditure heads, on a year on year basis.

2.1.3 Any unspent/unutilized CSR allocation of a particular year, will be carried forward to the following year, i.e. **the CSR Budget will be non-lapsable in nature.**

3. Planning & Scope

3.1 Identification of Thrust Areas / Strategic Initiatives

3.1.1 For the purpose of focusing its CSR efforts in a continued and effective manner, the following six **Thrust Areas** have been identified:

- a) Skill Development including Vocational skills / Empowerment (focus on Girl Empowerment)
- b) Healthcare / Medical Facility
- c) Education / Literacy Enhancement (with special emphasis for the Girl child)
- d) Environment Protection / Horticulture
- e) Drinking Water / Sanitation
- f) Community Development

3.1.2 Direct Support or Grant / Assistance / Sponsorship to reputed NGOs of the Society involved in upliftment of the standard of the society in the following fields:

- a) **Education**
 - i. Technical/Vocational Institutes of their self-development
 - ii. Academic education of School Drop outs to rehabilitate in Primary, Middle and Higher Secondary Schools
 - iii. Adult literacy especially amongst those belonging to Below Poverty Line
 - iv. Promote and implement programmes on girl education
 - v. Special attention on education, training and rehabilitation of mentally and physically challenged children/persons
 - vi. Special Scholarship programme for poor outstanding students for higher education specially Engineering / Technical Courses

b) Social & Women Empowerment

- i. Self / Gainful Employment Opportunities – Training of Rural Youth for Self Employment on Welding, Fabrication and other Electronic appliances
- ii. Empowering the Girl Child by providing education and job oriented training.
- iii. To provide assistance to villagers & self help groups to undertake farming for mushroom, medicinal plants & cash crops. Training may be provided by agricultural experts for above farming.
- iv. Organizing training programmes for women in tailoring. Embroidery designs, Home Foods/Fast Foods, Pickles, Painting and Interior Decoration and other Vocational Courses.
- v. Old Age Homes / Care for senior citizens.
- vi. Adoption of juvenile homes (specially for girls)
- vii. Awareness programmes against female foeticide, harassment of women, domestic violence, illicit trafficking of girls.

c) Health Care for poor people by organizing Medical Camps / Awareness campaign on :

- i. AIDS, TB and Leprosy, Social evils like alcohol, smoking, drug abuse etc
- ii. Child and Mother care, Diet and Nutrition
- iii. Blood donation camps, Diabetics detection & Hypertension Camps
- iv. Ophthalmic care and Eye Donation awareness camps, Eye Care for senior citizens with cataract operation camps, free ocular checkups camps etc.
- v. Family Welfare, senior Citizen Health Care

d) Sanitation / Water

- i. Digging/Renovation of Wells
- ii. Rain water-harvesting scheme
- iii. Development/construction of Water Tank/Ponds
- iv. Installation/Repair of Hand Pumps/Tube Wells

- v. Formation of a Task Force of Volunteers to educate people regarding proper use of drinking water.
- vi. Empowerment to the villagers for maintenance of the above facilities for availability of water.

e) Environment

- i. Organizing sensitizing programmes on Environment Management and Pollution Control
- ii. Green belt Development
- iii. Afforestation, Social forestry, Park
- iv. Plantation of saplings producing fruit
- v. Animal care

- f) Disaster Management Activities** including Infrastructure Support to the victims of natural calamities. Relief of victims from Natural Calamities like Earth Quake, Cyclone, Draught and Floods in any part of the country.

(The above list is only illustrative. BrahMos CSR Committee is authorized to consider any other CSR activity not mentioned in this list)

3.1.3 Adopt villages in close vicinity of our Work Centres to make them BrahMos Model Villages with focus on the following holistic developments:

- a) Develop / Adopt Schools, Educational Institutions, Libraries and Vocational Training Centres
- b) Sponsorship of poor meritorious children for higher education / technical education
- c) Improvement of General Health and Hygiene of villagers
- d) Provide Sanitation and Safe drinking water, Rain water harvesting
- e) Agricultural support with scientific knowledge enhancement
- f) Help villagers to form Self-help groups for economic empowerment
- g) To develop infrastructural facilities for providing electricity through Solar Lights or alternative renewal energy to the nearby villages, wind mills as Pollution Free Alternative Energy.

- h) Spreading awareness among villagers to eradicate social stigma of superstitions regarding sex discrimination, AIDS, Leprosy, TB, women empowerment etc.

3.1.4 For contributing towards the cause of Environment Protection, BrahMos will support the 3 UN Global Compact Principals pertaining to the Environment as below:

- a) Support a precautionary approach to environmental challenges
- b) Undertake initiatives to promote greater environmental responsibility
- c) Encourage the development and diffusion of environmentally friendly technologies.

3.1.5 BrahMos will dovetail its CSR activities in a manner that it facilitates the fulfillment of the National Plan, Goals and objectives, as well as the Millennium Development Goals so as to ensure gender sensitivity skill enhancement, entrepreneurship development and employment generation by co-creating value with local institution/people. Activities related to Sustainable Development will form a significant element of the total initiatives of CSR.

4. Implementation

4.1 General Points for implementation

- a) BrahMos CSR Programme will be undertaken to the best possible extent within the defined ambit of the identified 'Thrust Areas'.
- b) The time period / duration over which a particular programme will be spread, will depend on its nature, extend of coverage and the intended impact of the programme.
- c) Programmes which involve considerable financial commitment and are undertaken on a timeframe of 2-5 years, will be considered as 'flagship programmes' and accorded enhanced significance.

The process of implementation of CSR programmes will involve the following steps:

4.1.1 Institutional Arrangement

BrahMos Corporate Social Responsibility Committee (BCSRC) will comprise of the following who would be responsible for identification and implementation of BrahMos Corporate Social Responsibility Programmes:

- a) GM (Production) – Chairman
- b) IFA – Member
- c) GM (Personnel), Hyderabad - Member Secretary

The Committee will be a focal point for CSR activities and all such proposals is to be routed through the CSR Committee.

4.1.2 Duties of CSR Committee

- a) The Committee will decide allocation of the approved Budget for CSR at the starting of each financial year.

- b) Ensure to invite project proposals from NGOs / VOs by giving proper advertisement in BrahMos website, media etc. to spread the news to all concerned with clear guidelines and selection criteria.
- c) All direct proposals received in the Company towards CSR, will also be referred for scrutiny by the CSR Committee.
- d) The Committee will review each and every application / project and shortlist the suitable proposals which are as per the guidelines of the Policy.
- e) The Committee will interact with the CSR implementing agencies of the short listed proposals for determining the activities to be undertaken with details of the selected project proposals, its objectives and goals, implementation plans, social acceptance and overall impact towards the society.
- f) The Committee will thereafter finalize the selected project for implementation and approval for funding the Projects will be obtained from the Management.
- g) On approval by the Management, the selected projects will be intimated and the concerned NGOs/VOs will be granted the sum allotted.
- h) The projects will be periodically monitored to ascertain the progress of activities undertaken completely.
- i) The Committee will review the Project completion / Utilization Certificate with statement of expenditure duly certified by an authorized Auditor which will be submitted by the Organization/Institution to whom CSR fund is allocated.

4.2 Executive Partners /Agencies

Project activities identified under CSR are to be implemented by Specialized Agencies and NOT by staff of the Organization. Specialized Agencies could be made to work singly or in tandem with other agencies. However, BrahMos employees can take part as a volunteer in their off time to help the project in the respective work locations, if required.

Such specialized agencies would include:

- a) Voluntary Agencies (NGOs)
- b) Institution/Academic Organizations
- c) Trusts, Mission etc.
- d) Self-help Groups

4.3 Criterion for identifying executing agency

4.3.1 Project Based Approach : The sanction of grant / financial assistance in CSR should be project based, where its action plan will be distinguished as 'Short term' 'Medium term' & 'Long term'; qualified as

Short term	- 6 months to 1 year
Medium term	- 1 year to 2 years
Long term	-2 years and above – 'Flagship programmes'

4.3.2 While identifying long term programmes, all efforts must be made to the extent possible to define the following:

- a) Programme objective
- b) Baseline survey – it would give the basis on which the outcome of the programme would be measured.
- c) Implementation schedules – Timelines for milestones of the programme will need to be prescribed.
- d) Responsibilities and authorities
- e) Major result expected and measurable outcome.

4.3.3 In case of programmes executed by NGOs / Voluntary Organization, the minimum criteria need to be ensured. In order to be eligible for grants under the BrahMos CSR, an applicant institution should meet the following:

- a) It should be registered under an appropriate Act or be a regularly constituted branch of a registered welfare organization.
- b) Office bearers of the institution should not be related to each other.
- c) The Organization should have completed at least 1 year after registration in order to be eligible for grants from the BrahMos CSR under any scheme. Relaxation may however, be made in the following cases:
 - i. In case of institutions in hilly, remote, border and backward or tribal areas
 - ii. In case of those institutions which provide specialised services where these are not available; and
 - iii. In case where the need for starting an altogether new service is recognized.
- d) It should have a properly constituted Managing Committee with its powers, duties and responsibility clearly defined and laid down in a written constitution.
- e) It should have facilities, resources, personnel, managerial skill and experience to initiate the activity for which the grant is required.
- f) The activities of the institution should be open to all citizens of India without any distinction of religion, race, caste or language. Apart from the above conditions, there are other conditions of eligibility applicable for specific schemes which will be notified subsequently.
- g) Institutions should send their Project Proposals directly to BrahMos Headquarters at the following address:

CSR Committee

BrahMos Aerospace

16 Cariappa Marg, Kirby Place

Delhi Cantt. New Delhi – 110010

4.4 Documents required to be submitted by executing agencies

4.4.1 At the time of applying for grants under any scheme the following documents are to be submitted:

- a) Application Form in the prescribed format
- b) Details Project Proposals with itemized project budget in Indian Rupee
- c) Copy of the Registration Certificate
- d) Copy of the PAN Card of the Organization
- e) Detailed audited accounts of the institution of the previous years.
- f) (Accounts should be of the institution as a whole and not of any single individual programme/project)
- g) List of current Managing Committee Members (They should not be related to each other)
- h) Bank account details of the NGO/VO along with Account No. Branch, IFSC Code along with all contact details. A cancelled cheque with account no is to be attached.
- i) Brochures, News letters of any other relevant documents for the proof of past activities of the organization.

4.4.2 After Utilization of Grants:

Separate accounts, audited and bearing the seal of a Chartered Accountant, in respect of grants sanctioned and released by BrahMos in 3 forms i.e. Receipt & Payment, Income & Expenditure and Balance Sheet, along with Utilization Certificate should be submitted within one month of the closure of the financial year in which the grants are sanctioned/released. Fresh grants shall be released only on settlement of accounts of the previous year and a satisfactory report after verification of the same by the BCSR Committee.

5. Monitoring and Feedback

5.1 To ensure effective implementation of the CSR programmes undertaken, a monitoring mechanism will be put in place by the BrahMos CSR Committee. The progress of CSR programmes under implementation will be reported to corporate office on a monthly basis.

5.2 The CSR Committee will conduct impact studies on a periodic basis, through independent professional third parties / professional institutions, especially on the strategic and high value programmes.

5.3 CSR activities of the Company will also be reported in the Annual Report of the Company.

6. Miscellaneous

6.1 In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference to be made to Corporate CSR Committee. In all such matter, the interpretation & decision of the MD & CEO shall be final.

6.2 Any or all provisions of the CSR policy would be subject to revision / amendment.

6.3 The Company reserves the right to modify, cancel, add or amend any part of this policy.

7. Conclusion

7.1 CSR has come a long way in India from responsive activities to sustainable initiatives. In the current social situation in India, it is difficult for one single entity to bring about change as the scale is enormous and hence many CSR initiatives are executed by Corporates in partnership with NGOs who are well versed in working with local communities and are experts in tackling such problems.

7.2 BrahMos has the expertise, strategic thinking and resources to facilitate extensive social changes. This Policy will greatly assist the Committee in fulfilling the national aspirations and expectations of the society in contributing fruitfully towards CSR Programmes thereby adding value to our Organization.

APPLICATION FORM FOR GRANT / FINANCIAL ASSISTANCE

To,
 CSR Committee
 BrahMos Aerospace
 16 Cariappa Marg, Kirby Place
 Delhi Cantt. New Delhi – 110010

Contact Information	
1. Name of the Applicant organization that will receive and manage the grant	
2. Bank Details (Organisation must be legally registered with a bank account in the organisation's name – provide name of the bank and bank account number. A Cancelled Cheque with Account No. visible to be attached)	Account No
	Bank Name
	Branch with Complete Address
	MICR Code
	IFSC Code
3. Title of Project :	
4. Name and location of the community or organization that will benefit from the project (if this community or organization is not legally registered, it must request a legal entity, such as an NGO, local institution or municipality to act on its behalf as applicant and recipient of the grant).	
5. Name and designation of the person that will sign the agreement and will be responsible for the implementation of the grant:	
6. Complete Mailing Address, including district, state, Country, and postal code:	
7. Telephone, including STD Code	
8. Fax No:	
9. E-mail:	

<p>10. Website:</p>	
<p>Applicant Community / Organization Information</p>	
<p>11. Mission & Vision of the applicant organization?</p>	
<p>12. Please provide details of legal registration (such as date, registration number, government agency, Memorandum of Association etc.) A copy of the certificate evidence of the organization legal, financial and control capacity to receive and manage funds under applicable law has to be attached to the application</p>	
<p>13. Please describe major recent accomplishment of the applicant community or organization, including a description of the funding source and outcomes.</p>	
<p>14. Please list the Organization’s major sources of funding:</p>	
<p>15. What internal controls are in place to govern the use of funds?</p>	
<p>Project Information</p>	
<p>16. What are the issues and problems that the project will address? Why are these issues critical to the community or NGO?</p>	
<p>17. What is the objective of the project to be financed by the Communities or NGO? Please describe the</p>	

<p>activities to be funded by the grant within the one-year timeframe:</p>	
<p>18. Please describe the relevant skills of the staff who will be implementing the proposed project, specifying the role that it is playing to support communities, men, women, and children:</p>	
<p>19. How will the Communities be involved in the design, implementation, and evaluation of the project?</p>	
<p>20. What are the anticipated results of the project? What changes will occur as a result of the project?</p>	
<p>21. How will the implementation of the project be monitored and evaluated?</p>	
<p>22. How will the project be sustained after the period of grant implementation?</p>	
<p>Grant Information</p>	
<p>23. What is the total amount requested as Financial Assistance for the proposed project?</p>	
<p>24. Please provide an itemized project budget for a period of one year.</p>	

25. Reporting Requirements:

- a) Work Plan Budget at the submission of the application
- b) Statement of Expenditure within 3 months from the completion date, together with a statement of assurance from the highest authority of the project/organization (template will be attached to the letter of agreement)
- c) Completion Report within 3 months from the project completion date
- d) If the organization is subject to external audit, the annual external audit report. In any case the grant recipient shall maintain or cause to be maintained a financial management system including records an accounts and prepare financial statements

The organization shall retain all relevant financial records for up to 4 years after the project completion date and allow full audit access to BrahMos and its representatives if required.

26. Documents to be attached:

- a) Application form in the prescribed format duly filled in and signed by the Secretary or authorized office bearer of the institution
- b) Details Project Proposals with itemized project budget in Indian Rupee
- c) Copy of the Registration Certificate
- d) Copy of Memorandum of Association/Articles of Association/ Byelaws of the institution
- e) Copy of PAN Card of the organization
- f) Detailed audited accounts of the institution of the previous years (Accounts should be of the institution as a whole and not of any single individual programme/ project)
- g) Annual reports of the previous years
- h) List of current Managing Committee Members (They should not be related to each other)
- i) Bank account details of the NGO/VO along with Account No., Branch, IFSC Code with all contact details. A cancelled cheque with Account no. is to be attached.
- j) Brochures, New Letter or any other relevant documents for the proof of past activities of the organization.