

CORPORATE SOCIAL RESPONSIBILITY POLICY BIRLA PRECISION TECHNOLOGIES LIMITED

Birla Precision Technologies Limited

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1. CONTEXT

Birla Group has been a pioneer and a stepping stone for Corporate Social Responsibility (“CSR”) initiatives. Along with sustained economic performance, environmental and social stewardship are also key factors for holistic business growth. Birla Precision Technologies Limited (“BPTL”) partners with non-government organizations (“NGOs”) to make a difference in local communities. The Company’s focus has always been to contribute to the sustainable development of society and the environment, and to make our planet more livable for future generations.

This Corporate Social Responsibility Policy (“Policy”) encompasses the Company’s philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanisms for undertaking socially useful programmes for the welfare & sustainable development of the community at large. This Policy has been prepared keeping in mind the Company’s business ethics and to comply with the requirements of the Companies Act, 2013 (hereinafter called as “the Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs vide Notification dated February 27, 2014. This policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of the Company, for the benefit of different segments of society, specifically the deprived, under-privileged and differently abled persons.

2. OBJECTIVES

BPTL’s CSR Policy intends to

- Strive for overall development that positively impacts society at large with minimal resource footprint.
- Embrace responsibility for the Company’s actions and encourage a positive impact through its activities to alleviate hunger, poverty and malnutrition; to protect the environment; and to support communities, stakeholders and society.

3. CSR COMMITTEE

The Company shall have a Corporate Social Responsibility Committee (“CSR”), which shall meet the following requirements.

- i. Composition: CSR Committee shall consist of Directors, out of which one shall be an Independent Director.
- ii. Role: The Committee, referred above, shall a) Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013; b) Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy; c) Be responsible for implementation and monitoring of CSR projects or programs or activities of the Company. d) Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.
- iii. Meetings: The CSR Committee shall meet as and when deemed necessary.
- iv. Sitting Fees: The sitting fees for attending the meeting shall be determined from time to time by the Board of Directors.

- v. Quorum: Quorum of a meeting of the CSR Committee shall be as prescribed in the Companies Act, 2013 and the rules made thereunder, presently being one-third of the total strength or two directors, whichever is higher.
- vi. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person (s) as it may consider necessary to attend the CSR Meeting.

4. CSR ACTIVITIES

1. The CSR activities shall be undertaken by the Company as per this policy by way of projects, programs, or activities (either new or ongoing) in India, excluding the activities undertaken in pursuance of the normal course of business. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.
2. The Board may decide to undertake CSR activities approved by the CSR Committee directly through employees of the Company or through a registered trust, a registered society, or a company established by the Company subsidiary or associate company under Section 8 of the Act.
3. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee of respective companies are in a position to report separately on such projects or programs in accordance with the CSR Rules.
4. CSR expenditure shall include all expenditure, including contributions to the corpus, or on projects or programs relating to CSR activities, approved by the Board on the recommendation of the CSR Committee, but shall not include:
 - a) any expenditure on an item not in conformity with or not in line with activities which fall within the purview of Schedule VII of the Act.
 - b) CSR projects, programs, or activities that benefit only the employees and their families.
 - c) Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
5. The Company may fulfil the CSR obligation by way of a donation to a fund established/approved by the Government or such other entity/organization/ Trust, or any other appropriate authority, on the recommendation of the CSR Committee.

The list of CSR projects or programs that the Company plans to undertake shall fall within the purview of Schedule VII of the Act.

5. FOCUS AREAS AND MODES OF IMPLEMENTATION

Focus areas: In accordance with the requirements under the Companies Act, 2013 and the rules/regulations framed thereunder and circulars/clarifications issued thereunder (collectively, "Applicable Law"), the Company's CSR activities, amongst others, will focus on:

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- **EDUCATION:** Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, the elderly and the differently abled, and

livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., to assist students in their studies, this also includes skilling and reskilling initiatives for those who are in need.

- **RURAL DEVELOPMENT PROJECTS:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality and empowering women; setting up homes, hostels and day care centres for women and orphans; setting up old age homes and other similar facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- **NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture, including the restoration of buildings, sites of historical importance, and works of art; setting up public libraries; reviving, promoting and developing traditional arts and handicrafts.
- **MENTA HEALTH & LIFESTYLE IMPROVEMENT:** Undertaking mental health awareness programmes and seminars wherein awareness is raised of inculcating a sense of managing work-life balance.

6. AMOUNT OF 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 this CSR Policy. If the Company fails to spend such amount, the Board shall, in its report made under Section 134 (3) (o) of the Act, specify the reasons for not spending the amount.

7. DISCLOSURE

The Company shall disclose the contents of the CSR Policy in its Board's report in the format given in the CSR Rules, and the same shall be displayed on the Company's website.

8. AMENDMENT TO CSR POLICY

The CSR Policy is constituted under the provisions of the said Act and CSR Rules. In the event of any difference between the contents of this CSR Policy and the Act and CSR Rules, the provisions of the Act and CSR Rules will be made applicable to the matter. The CSR Committee may, from time to time, recommend to the Board amendments to this policy as it may deem fit.