



BIRLA PRECISION TECHNOLOGIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. CONCEPT AND VISION:

Birla Precision Technologies Limited believes to be a world class organization and a Global supplier of a wide range of precision CNC toolings and high precision machined components with unwavering focus on our customers and our young team. The Company believes in the trusteeship concept. This entails transcending business interests and grappling with the “quality of life” challenges that underserved communities face, and working towards making a meaningful difference to them.

In this regard, the Company has made 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 programs for welfare & sustainable development of the community at large and is titled as the “CSR Policy” which is based as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 initiated by the Central Government under the relevant provisions of Section 135 of the Companies Act, 2013 (hereinafter “the Act”) and Schedule VII of the Act.

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, employment, promoting gender equality and women empowerment etc. more particularly described below.

2. CSR POLICY :

The Company may adopt one or more of the following initiatives and activities under the CSR Policy:

- Eradicating hunger, poverty and mal-nutrition, promoting preventive health care and 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;
- 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;
- Protection of natural 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 arm forces veterans, war widows and their dependents;
- Training to promote rural sport, nationally recognized sports, Paralympic sport and Olympic sports;
- 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;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects.

Any of the aforesaid initiatives and the activities that may be undertaken by the Company will be referred to as "CSR Initiatives and Activities" hereinafter.

3. RESOURCES:

For achieving its CSR initiatives and activities through implementation of meaningful and sustainable CSR programmes, the Company will endeavor to allocate, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy. For the purpose of the CSR Policy the 'net profit' of the Company shall mean the net profit as defined under Rule 2(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Annual CSR Budget would also include:

- (a) 2% of the average net profits as computed above;
- (b) Any income arising there from; and
- (c) Surplus arising out of CSR Initiatives and Activities (any surplus arising out of the CSR projects or programs or activities shall not be part of the business profits of the Company).

4. IMPLEMENTATION:

4.1 CSR Committee :

CSR Initiatives and Activities will be initiated by a committee comprising of three or more directors, out of which at least one director shall be an Independent Director.

In the event of resignation of any Director from the Board of the Company or cessation for any reason whatsoever, such Director shall forthwith cease to be a member of the Committee. The Board of Directors of the Company shall have the powers to reconstitute the CSR Committee from time to time.

The Corporate Social Responsibility Committee shall:-

- (a) formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Act;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above and;
- (c) monitor the CSR Policy of the company from time to time.

The CSR Committee shall institute a transparent monitoring mechanism for implementing CSR projects for programs or activities undertaken by the Company.

The CSR Committee can delegate its responsibilities pertaining to monitoring and overseeing the implementation of the CSR initiatives and activities to any senior management level employee/s of the Company as and when required, though the decisions to contribute to and/or engage in any particular initiative or activity will only be undertaken by the CSR Committee.

4.2 CSR Initiatives and Activities :

The CSR Committee may allocate the Annual CSR Budget in total or part towards the accomplishment of any of the objectives referred to in Clause 2 above to any of the charitable trusts registered under the provisions of Bombay Public Trusts Act, 1950 or Indian Trust Act, 1882 or a registered society or a company established under Section 8 of the Companies Act, 2013 provided that –

- i. If such trust, society or company is not established by the Company either singly or alongwith its holding or subsidiary or associate company, it shall have a established track record of at least three years in undertaking similar programs or projects;

- ii. The Company shall specify the projects or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

The CSR projects or programs or activities undertaken in India excluding activities undertaken in the normal course of its business only shall amount to CSR expenditure.

The Company may collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of each companies are in a position to report separately on such projects or programs.

The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.

The Company may build CSR capacities of its own personnel as well as those of its implementing agencies through institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads shall not exceed 5% of total CSR expenditure of the Company in one financial year.

The contribution of any amount directly or indirectly to any political party under Section 182 of the Act shall not be considered as CSR activity.

The time period and/or the duration over which a particular CSR Initiative and Activity will be spread will depend on its nature, extent of coverage and the intended impact of the said initiative or activity which will be determined by the CSR Committee.

5. AREA OF CSR INITIATIVES AND ACTIVITIES:

The CSR Committee shall while spending/contributing the Annual CSR Budget earmarked for the CSR Initiatives/ Activities shall give preference to the local areas and areas around it where the Company operates.

6. DISPLAY OF CSR ACTIVITIES:

Appropriate documentation and contents of the Company's CSR Policy, annual CSR Initiatives and activities undertaken with the approval of the CSR Committee through any Charitable Trust and/or specialized executing agencies/partners, and information on the CSR expenditure incurred will be available on the Company's website www.birlaprecision.in.

Details on CSR as indicated below will also be reported in the Annual Report of the Company:-

- (a) A Brief outline of the CSR policy;
- (b) The Composition of the CSR Committee
- (c) Average net profit of the Company for the last three financial years
- (d) Prescribed CSR expenditure
- (e) Total amount to be spent for the financial year;
- (f) Amount unspent, if any;
- (g) Amount carried forward from earlier years;
- (h) Amount spent during the year in the format as prescribed in Annexure-I; and
- (i) Amount carried forward for the year
- (j) Reasons for not spending the amount where the Company has failed to spend as referred to in Clause 3 above,

The progress of CSR Initiatives and Activities under implementation will be reported to the Board of Directors of the Company.

7. AMENDMENTS IN LAW

In the event of any conflict between the Policy and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or Section 135 of the Act or Schedule VII of the Act, the provisions of such Rules or Act shall prevail over the Policy.

ANNEXURE-I

Sr. No	CSR Project or Activity identified	Sector in which project is covered	Projects or Programs: 1.Local area or other 2.Specify the state district where projects or programs was undertaken	Amount outlay (budget) project or programs otherwise	Amount spent on the projects or programs: 1.Direct Expenditure on projects or on programs 2.Overheads	Cumulative Expenditur e up to the reporting period	Amount spent: Direct or through implementing agency