



BIRLA PRECISION TECHNOLOGIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Table of Contents

Title	Page No
CONTEXT	1
OBJECTIVES	1
CSR COMMITTEE	1
CSR ACTIVITIES	2
FOCUS AREAS AND MODES OF IMPLEMENTATION	4
AMOUNT OF CSR EXPENDITURE	4
DISCLOSURE	5
AMENDMENT TO CSR POLICY	5
ANNUAL ACTION PLAN	5

1. CONTEXT

Our 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, as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 (collectively referred to as the "CSR Rules"). 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 Committee"), 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;
 - e) Prepare and recommend to the Board an Annual Action Plan in pursuance of this Policy, containing the list of CSR projects or programmes proposed to be undertaken, the manner of execution, modalities of utilisation of funds, implementation schedules, and the monitoring and reporting mechanism, in accordance with Rule 5(2)(e) of the CSR Rules; the Committee may also recommend modifications to the Annual Action Plan during the financial year, based on reasonable justification;
 - f) Monitor the CSR activities and undertakings of the Company and continue to function and discharge its responsibilities as long as any amount is outstanding in the Unspent CSR Account of the Company for any preceding financial year, in accordance with the CSR Rules.
- 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, or any entity registered with the Central Government by filing Form CSR-1 in accordance with Rule 4(1) of the CSR Rules, and having a valid CSR Registration Number. The Company shall ensure that the implementing agency

undertakes only those CSR activities as approved by the CSR Committee and utilises the funds for the purposes and in the manner as approved.

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.
6. The Company may undertake CSR activities through ongoing projects extending over more than one financial year, as defined under Rule 2(1)(i) of the CSR Rules. Where the Board, based on reasonable justification, approves continuation or reclassification of a CSR project as an ongoing project, any unspent amount in respect of such ongoing project shall be transferred by the Company to a separate bank account to be styled as the "Unspent CSR Account" within thirty (30) days from the end of the relevant financial year, in accordance with Section 135(6) of the Act. The said amount shall be utilised towards the ongoing CSR project(s) within a period of three (3) financial years from the date of such transfer, failing which it shall be transferred to a Fund specified under Schedule VII of the Act within thirty (30) days from the expiry of the said three-year period.
7. Where the Company spends an amount in excess of the requirement provided under Section 135(5) of the Act in any financial year, such excess amount may be set off against the CSR obligation for the immediately succeeding financial years, subject to a maximum of two (2) financial years and subject to the conditions prescribed under Rule 7(3) of the CSR Rules, including the requirement that the excess amount to be set off shall not include the surplus arising from CSR activities.

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.
- **MENTAL 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 135(5) read with Rule 8(1) of the CSR Rules, specify the reasons for not spending the amount and deal with the unspent amount in the manner prescribed under Section 135(5) and Section 135(6) of the Act and the CSR Rules, as applicable.

Where the amount remaining unspent at the end of a financial year pertains to any ongoing project, the Company shall transfer such unspent amount to the Unspent CSR Account within thirty (30) days from the end of such financial year, in accordance with Section 135(6) of the Act. Where the unspent amount does not relate to any ongoing project, it shall be transferred to a Fund specified under Schedule VII of the Act within six (6) months of the end of the financial year.

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.

In addition, the Company shall file a report on CSR activities in Form CSR-2 with the Registrar of Companies as an addendum to Form AOC-4 (or AOC-4 XBRL, as applicable), within the prescribed timelines under Rule 12(1B) of the Companies (Accounts) Rules, 2014, as amended.

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.

9. ANNUAL ACTION PLAN

Pursuant to Rule 5(2)(e) of the CSR Rules, the CSR Committee shall prepare and recommend to the Board an Annual Action Plan for each financial year. The Annual Action Plan shall contain the following details:

- The list of CSR projects or programmes proposed to be undertaken during the financial year;
- The manner of execution of such projects or programmes — whether directly by the Company or through implementing agencies registered under Form CSR-1;
- The modalities of utilisation of funds and the implementation schedules for each project or programme;
- The monitoring and reporting mechanism for each project or programme; and
- Details of the need and impact assessment of CSR projects or programmes, if any.

The Board may alter or modify the Annual Action Plan at any time during the financial year, based on reasonable justification, including reclassification of approved projects as ongoing projects, provided such modification is duly recorded in the Board's resolution and reflected in the Annual CSR Report for the relevant financial year.

Version	Date of Board Approval	Key Changes
Version 1.0	February 27, 2014	Original Policy
Version 2.0	May 29, 2026	Updated for CSR Amendment Rules 2021 & 2022; added Unspent CSR Account, Annual Action Plan, set-off provisions, Form CSR-2, corrected statutory references.