

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

Issue date	:	06 th June 2023
Policy recommendation committee	:	CSR Committee
Policy Approval Authority	:	Board of Directors

Approved by the Board of Directors at its meeting held on 06th June 2023.

(I) BACKGROUND

In compliance with the requirements of Section 135 of the Companies Act, 2013 ("Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Bajel Projects Limited (the "Company") is, inter alia, required to:

- (i) Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- (ii) Ensure that the Company spends, for every financial year, at least two per cent of the average Net Profits of the Company, calculated in accordance with the provisions of Section 198 of the Act, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

(II) PHILOSOPHY

The Corporate Social responsibility (CSR) activities of Bajaj Group are guided by the vision and philosophy of its Founding Father, late Shri Jamnalal Bajaj, who embodied the concept of Trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group, thus, took the unprecedented step of using business to serve society over a century ago. Shri Jamnalal Bajaj strongly believed that "common good was more important than individual gain". His philosophy has stood the test of time as it has been successfully taken forward by the succeeding generations. This philanthropic approach has taken the Group to higher levels of success and respect.

Though the Group stands tall in the corporate world, with high ranking in terms of market capitalization, turnover, profits, range of products and services and various other parameters, Bajaj Group believes that the true and full measure of growth, success and progress lies beyond balance sheet or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people. Through its social investments, Bajaj group addresses the needs of communities residing in the vicinity of its facilities, taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure and community development and response to natural calamities.

For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment. It is the reason behind the smile that lights up a million faces.

(III) PREAMBLE / OBJECTIVE OF THE CSR POLICY

The Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare & sustainable development of the community at large.

The core elements of CSR is the continuing commitment by business to ethical principles, protection of human rights, care for the environment while improving the quality of life of all the stakeholders including the local community and society at large.

It is Company's conscious strategy to design and implement Social Investments / CSR programs, by enriching value chains that encompass the disadvantaged sections of society, especially those residing in rural India, through economic empowerment based on grass-root capacity building.

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 the society, specifically the deprived, under privileged and differently abled persons.

(IV) OUR VISION

1. The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.
2. The Company is committed towards improving the quality of lives of people in the communities in which it operates because, the society is an essential stakeholder and the purpose of its existence.
3. The Company aims to fulfil the requirements laid down under the Act and act diligently to comply with all its Rules and Regulations on CSR.

(V) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition:

The Corporate Social Responsibility Committee ("**CSR Committee**") shall consist of three or more Directors amongst whom at least one shall be an Independent Director.

The Committee may formulate a CSR Sub-Committee with such other Directors / Executives of the Company from time to time as it may deem necessary and expedient.

The Company Secretary shall act as the Secretary to the Committee.

Meetings:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least one meeting in a financial year.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

Role of CSR committee:

- a. To 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 (as amended from time to time).
- b. To recommend the amount of expenditure to be incurred on the activities for a financial year.
- c. To monitor the CSR Policy of the Company from time to time.
- d. Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

(VI) RESPONSIBILITIES OF THE BOARD

The Board shall:

- Form a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR.
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify to the effect.

- Approve transfer of unspent CSR Amount in accordance with the provisions of the Act. The Accounts and Finance Team of the Company shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.
- Approval for excess amount, if any, that may be set off against the requirement to spend under subsection (5) of Section 135 of the Act up to immediate succeeding three financial years.
- Ensure that unspent CSR amount will be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the Company will transfer the same to a Fund specified in Schedule VII to the Act, within a period of thirty days from the date of completion of the third financial year.
- Ensure that any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and CSR Annual Action Plan ("CAAP") of the Company or transfer such surplus amount to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

(VII) CSR PROGRAMMES/PROJECTS

The Company would focus the CSR activities around following thrust areas:

- (i) 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.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) 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.
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (v) 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 art and handicrafts.

- (vi) 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.
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- (viii) 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 schedule caste, tribes, other backward classes, minorities and women.
- (ix) (a) 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

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) Rural development projects.
- (xi) Slum area development.
Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

Without prejudice to the above, following activities, by way of illustration, may also be carried out by the Company, if it deems fit:-

- a. Curative health care, surgery, eye donation camps, skin donation camps, blood donation activities, therapy camps, dental camps, acupressure camps, cataract camps, etc.
- b. To participate in building a healthy community through continuing initiatives in several areas of healthcare, with a focus on mother & child care and HIV/AIDS awareness.
- c. Literacy/ Awareness programmes and activities in various social & well being areas.

- d. Research activities, economic, industrial, social research, research professorships, research chair, etc.
- e. Furtherance & promotion of recognized ideologies like the Gandhian and Sarvodaya ideologies, Swami Vivekananda Missions, national integration, communal harmony etc.
- f. Furtherance and promotion of practice of alternative Indian traditional medical practice such as homeopathy, ayurvedic, siddha, naturopathy and yoga therapies, for the benefit of community at large.
- g. Hostels and boarding rooms, reading rooms, convalescence / asylum rooms for poor and the needy.
- h. Restoration & beautification of a city, town, village, museum, gardens, parks, public recreation centres etc.
- i. Disaster management activities and Relief to victims of natural calamities.
- j. Activities relating to irrigation, wells, dams etc. for improving livelihood of farmers and agriculturists.
- k. Promotion of nationally recognized sports (not only training).
- l. Infrastructure activities, essentially for helping the poor and the needy.
- m. Any other programme as per the requirement as and when deemed fit.

(VIII) IMPLEMENTATION AND MONITORING

The Company may carry out CSR programmes directly or through its implementing agency/trust.

Identification / Selection of CSR Programmes:

The CSR programmes would be identified as per the requirement in the community, etc. Professional agencies may be engaged in conducting need-based assessment in some CSR programmes, wherever required.

Partnerships to implement the CSR Programmes:

Collaborative Partnerships may be formed with the Government Agencies, the village Panchayats, NGOs and other likeminded stakeholders. This would help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

Criteria for identifying Executing Agency/Partners:

In case of CSR programme execution by NGOs/Voluntary organizations the following minimum criteria should be required to be ensured:

1. The NGO / Agency must have a permanent office / address in India.
2. The NGO should be a registered public Trust or a Society having a duly executed Trust Deed / Memorandum of Association.
3. It should have registration Certificates under Section 12A, Section 80G, etc. of the Income Tax Act, 1961, registration under FCRA (wherever mandatory) and other applicable registrations.
4. It should have a Permanent Account Number (PAN).
5. Last 3 years audited statement of accounts.
6. Last 3 years income tax return.
7. Last 3 years FC return (applicable to organizations with FCRA registration).
8. The antecedents of the NGO / Agency are verifiable / subject to confirmation.
9. Should have a team of professional expertise and system to maintain Books of Accounts and to generate necessary Reports on the supported programmes.
10. No tie-up with the Competition of the Company.

Provided that in case of any amendment in the Act / the Rules specifying any criteria for implementing agencies, the same shall be applicable in addition to the above criteria (to the extent applicable). Provided also that the CSR Committee may waive one or more of the above criteria on case-to-case basis.

Agreement between the Company and Executing Agency:

Once the programmes and the Executing Agency has been finalised, the concerned work centres would be required to enter into an agreement/MOU with each of the executing agency as per the Standard Agreement format.

Monitoring and Evaluation Mechanisms:

Monitoring and Evaluation Mechanisms include the following, one or more of which shall be implemented based on the size, quantum, and tenure of the CSR programmes:

1. To ensure effective implementation of the CSR programmes undertaken at each work centre, a monitoring mechanism will be put in place by the work centre head. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a regular basis.
2. Feedback would also be obtained and documented from the beneficiaries and influential local leaders by the respective work centres about the programmes, as and when required.
3. Field visits would be conducted by the respective CSR teams to ensure the progress of the programmes at their work centres. The visits would be informed and surprised also.

4. Partners would be required to report narrative as well as financial updates on a quarterly/annual basis in the format mutually decided.
5. The Finance and Accounts Team of the Company would conduct audit of the CSR programmes as and when required. The Finance and Accounts would, from time to time, also guide the respective partners and CSR team of the Company on necessary compliances.
6. In case the Company having average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, the impact assessment would be conducted, through an independent agency, of CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The Board of Directors of the Company shall also monitor the CSR Programmes / Projects in such manner and on such periodicity as may be required by the Act / the Rules.

(IX) ENGAGEMENT OF INTERNATIONAL ORGANISATIONS

The Company may engage international organisation(s) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.

(X) CAAP – CSR ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, etc.

The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

(XI) INFORMATION DISSEMINATION

1. Appropriate documentation of the Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
2. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

(XIV) GENERAL

- Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Act, the CSR Rules made thereunder or in any amendment thereto. This Policy shall also be subject to such clarifications and FAQs as may be issued by MCA from time to time.

- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference should be made to Corporate CSR Department. In all such matters, the interpretation & decision of the CSR Committee shall be final.
- Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from the Government, from time to time.
- The Company reserves the right to modify, cancel, add, or amend the terms of this CSR Policy.

For Bajel Projects Limited

**Sd/-
Chairman**

Place: - Mumbai

Date: -06th June 2023
