



POLICY ON CORPORATE SOCIAL RESPONSIBILITY ¹

1. INTRODUCTION

Corporate Social Responsibility (CSR) broadly refers to the work and activities undertaken by corporates towards issues related to social causes and development, environment, disaster relief and community support. The Corporate Social Responsibility was made mandatory for companies in India by Companies Act, 2013. CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies.

2. OBJECTIVE AND PURPOSE

BATL as a company believes in doing business in a manner that promotes the general wellbeing of all and more especially of those who are directly within the local area and areas around it, where it operates. BATL policies and objectives will evolve, and over time harmonize our long term and short term goals in CSR. Our ultimate goal is to wholesomely and positively impact the communities we are associated with. In the short term and consistent with that view we propose to utilize and leverage our competencies and work in areas associated with education, sanitation, skill development, protection of flora and fauna, conservation of natural resources, rural development projects and there by actively participating in the inclusive wellbeing of all through sustained initiatives.

3. COMPANY COMMITMENT

Through sustainable measures, actively contribute to the social, health, economic, educational and environmental development of the community in which we operate, ensuring participation from the community and thereby create value for the nation and nation building.

4. CSR PROJECTS, PROGRAMMES AND ACTIVITIES

The scope of the CSR activities of the Company will cover the following areas, but not limited to the same and may extend to other specific projects/ programmes as per Schedule VII of the Act as amended from time to time:

- a) 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.
- b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- c) 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.
- d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality

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of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

- e) 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.
- f) 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.
- g) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- h) 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 setup by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- i) (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).
- j) Rural development projects.
- k) 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].
- l) Disaster management, including relief, rehabilitation and reconstruction activities.

The Company will review the sectors from time to time and make additions/deletions/clarifications to the above sectors, provided that the activities undertaken by the Company are subject to Schedule VII of the Act as may be amended from time to time.

5. EXCLUSION FROM CSR

The following activity shall not form part of the CSR activities of the Company:

- a) The activities undertaken in pursuance of normal course of business of the Company;
 - b) CSR projects/ programs or activities that benefit only the employees of the Company and their families;
- Activities or events such as marathons / awards / advertisement / sponsorships of TV





programmes, etc supported by the company on sponsorship basis for deriving marketing benefits for its products or services;

- d) Expenses incurred by company for the fulfilment of any other statutory obligations under any law in force in India;
- e) Any contribution directly / indirectly to political party or any funds directed towards political parties or political causes under Section 182 of the Act; and
- f) Any CSR projects / programs or activities undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

6. CSR IMPLEMENTATION AND MODALITIES OF EXECUTION

The Company may implement its CSR activities through the following methods:

- a) Directly on its own;
- b) Through its own non-profit Section 8 Company created exclusively for undertaking Charitable activities;
- c) Through independently registered Non-Profit Organizations ("NPO") or Non-Government Organizations ("NGO") that have an established track record of at least three years in similar such related activities;
- d) Collaborating or pooling the Company's resources with other companies; and
- e) Through permitted governmental routes, including but not limited to contribution to the Prime Minister's National Relief Fund and other permissible sources.

7. CSR BUDGET / EXPENDITURE

Under the provisions of Section 135 of the Act, companies meeting the qualification criteria is to allocate a certain portion, presently 2 %, of the average net profits (profit before tax) made during the three immediately preceding financial years to be spent on CSR Activities that fall under the purview of Schedule VII of the Act.

8. CSR EXPENDITURE:

The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act. The amount spent by the Company towards CSR cannot be claimed as business expenditure.

9. EXPENDITURE ON CSR CAPABILITIES:

The Company may build CSR capabilities of their own personnel and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time. Determination of whether a particular expense fall within this 5% cap can be decided by the Board in consultation of the Chief Financial Officer or the Key Managerial Personnel of the Company, if any, based on the clarification available from time to time in this regard. For the purpose of this policy, Chief Financial officer and Key Managerial Personnel shall have the same meaning as provided in the Act.

10. SPENDING CSR MONEY

In case the Company fails to spend the minimum required CSR expenditure in that particular financial year, Internal Management Committee shall submit a report in writing to the Board of Directors specifying the reasons for not able to spend the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular financial year, and the Company shall also ensure to comply with provisions as stipulated in section 135 of the Act and relevant Rules, as may be amended from time to time. The Company shall also ensure that any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

Further, any excess amount spent (i.e. more than 2% as specified in section 135) can be





carried forward to the subsequent years and adjusted against that year's CSR expenditure as may be specified by the Companies Act, 2013.

11. CSR COMMITTEE

The CSR Committee having a minimum number of three directors duly nominated by the Board shall be formed as per the applicable laws and the CSR Committee shall be responsible for the implementation / monitoring and review of the CSR Policy and various programmes / projects/ activities undertaken under the CSR Policy. The CSR Committee shall submit periodical reports during every half year to the Board of Directors. The Board shall have the power to make any change(s) in the constitution of the committee. In case the amount to be spent does not exceed Rs.50 lacs , the requirement of constitution of CSR Committee shall not be applicable in view of sub section (9) of section 135 of Companies Act, 2013 and the functions of CSR committee can be discharged by Board of Directors of the company. A management sub-committee be constituted to assist the CSR Committee / Board for implementation of CSR.

12. POWERS OF THE CSR COMMITTEE

Following are the powers of the Committee subject to final approval of the Board:

- a) Formulate CSR Policy;
- b) Recommend the CSR Policy to the Board of Directors of the Company for approval;
- c) Decide CSR activities to be implemented;
- d) Approve to undertake Company's CSR activities in collaboration other Companies/ firms/ NGOs, etc. and to separately report the same in accordance with the CSR Rules;
- e) Decide the CSR Budget;
- f) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;
- g) Create transparent monitoring mechanism for implementation of CSR Initiatives ;
- h) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- i) Monitor CSR Policy from time to time;
- j) Monitor activities and ensure that the CSR activities of the Company are implemented effectively;
- k) Authorize executives of the Company to attend the CSR Committee Meetings; and
- l) Appoint, terminate and otherwise manage personnel for implementation and monitoring and related work with respect to the CSR Policy, Plan and recommendation to the Board with respect to CSR Committee activities ("CSR Executives").

13. CSR COMMITTEE MEETINGS

The CSR Committee shall meet at least once in half year to monitor the CSR activities. The time and place of the said meetings shall be decided by the Chairman of the CSR Committee and communicated to the members through a notice sent through electronic mode or by mail. The members of the Committee may participate in the meeting either in person or through video conferencing or other audiovisual means in accordance with the provisions of the Act and Rules made thereunder from time to time. The Committee may in urgent matters decide issues through circulation of the agenda. Minutes of the CSR Committee shall be placed before the Board for noting and recommending action thereon as may be deemed appropriate.

14. CSR INITIATIVES

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended at the beginning of each





financial year or during the year by the CSR Committee. The Committee is authorized to recommend any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review, which shall be placed before the Board for approval.

15. ANNUAL CSR PLAN

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before Board of Directors of the Company after the recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company:

- a) CSR Projects;
- b) Partnering agencies / companies /firms ;
- c) Project Proposals;
- d) Beneficiaries of the Project and their needs;
- e) Alignment with Schedule VII of the Act;
- f) Project analysis;
- g) Activities and the timelines for each activity;
- h) CSR Budget;
- i) Monitoring mechanism;
- j) Progress reporting and frequency of reports; and
- k) Any other information as maybe required by the CSR Committee.

16. MONITORING AND REPORTING

The CSR Committee will be responsible for the monitoring of CSR activities undertaken by the Company. The minutes of CSR Committee will be placed to the Board in the subsequent meeting.

- a) The CSR Committee has the powers to:
 - (i) Seek monitoring and implementation report from the organizations who have received fund from the Company with respect to implementation of CSR activities.
 - (ii) Appoint a Company official as a Nodal Officer to co-ordinate with the organization receiving funds from the Company, to inspect the activities undertaken by the organization and provide the required information in a timely manner.
- b) For monitoring the CSR activities following process shall be followed:
 - (i) The activities and budgets for CSR will be presented in detail to the CSR Committee by the CSR Executives who shall be implementing the CSR activities. Further, the CSR Committee may empower an authorised person to spend such amount as they think appropriate for some other strategic CSR contingencies that may arise during any financial year. The amount spent as above shall be put up for ratification of the Committee at its meeting and shall report to the Board accordingly.
 - (ii) Continuous Monitoring
 - a. CSR Committee shall receive a quarterly report of CSR spend;
 - b. CSR Executives shall make presentation to the CSR Committee on the progress of the CSR projects/ activities; and
 - c. There will be presentation by CSR Executives, as and when required, to the CSR Committee which will include the details of the future or planned projects for the upcoming year and its respective budgets.
 - d. The CSR Committee shall prepare reports that are required to be placed before the Board as per the format prescribed under the CSR Rules;

17. POWERS, ROLES AND RESPONSIBILITIES OF THE BOARD

The Board of Directors of the Company shall have the power to alter/ change/modify the CSR Policy from time to time. The Board of Directors of the Company will be responsible for:

- a) Approval of the CSR Policy of the Company.
- Ensuring that the social projects included in the CSR Policy are implemented.





- c) Ensuring that the Company spends, 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 the Policy.
- d) Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR project.
- e) Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.

18. PUBLICATION OF CSR POLICY / DISCLOSURES

As per the CSR Rules, the contents of the CSR Policy shall be included in the Director' Report and the same shall be displayed on the Company's website. The Annual Report of the Company shall include a report on CSR Policy, CSR Committee, CSR initiatives undertaken by the Company, the CSR spend during the financial year and other information as required by the prevailing law.

