



**BHARAT SEATS LIMITED**

**POLICY ON CORPORATE SOCIAL**  
**RESPONSIBILITY**

## **I. INTRODUCTION**

The Policy on Corporate Social Responsibility ('CSR') has been framed by Bharat Seats Limited ('Company') in accordance with the Section 135, read with Schedule VII of the Companies Act, 2013('Act') and Rules made there under.

## **II. CSR AREAS**

The Company will focus primarily on the following areas, through contribution on its own or through implementing agency or undertake any of the following activities for:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation including contribution to the Swachh 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 differently abled and livelihood enhancement projects;
- iii. 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;
- iv. Disaster management, including relief, rehabilitation, reconstruction activities.
- v. Prevention and treatment of COVID, including providing medical and infrastructural support.

The above list of activities is illustrative and not exhaustive. The company may also under take any other activities specified under schedule- VII of the Companies Act, 2013 as amended from time to time.

## **III. CSR BUDGET**

- i. The CSR Committee will recommend the annual budgeted expenditure project wise to the Board of Directors ('Board') for its consideration and approval.
- ii. Company would spend not less than 2% of the average net profits of the Company during the three immediately preceding years.
- iii. Transfer of unspent CSR amount – Unspent CSR amount, if any, shall be transferred to any fund included in schedule VII of the 'Act' / fund specified in Schedule VII.
- iv. Any surplus arising out of CSR activities, will not form part of business profits of the Company.
- v. The Company may collaborate or pool resources with other Company to undertake CSR activities.

- vi. In case the Company spends an amount in excess of requirement i.e. in excess of 2% of average net profits, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that -
  - (a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, and
  - (b) the Board of the company shall pass a resolution to that effect.

#### **IV. IMPLEMENTATION & MONITORING**

The Company's CSR programmes will be identified and implemented according to this policy.

- i. CSR Committee of the Board has been constituted as per requirements of the Companies Act, 2013 and the Rules made there under.
- ii. CSR Committee will recommend policy and will identify and recommend particulars of CSR activities, set forth a budget, describe how the Company will implement the CSR activities and establish a transparent means to monitor progress. The Board shall be responsible for approving the policy and implementation of the same.
- iii. The Company can meet its CSR obligations by undertaking its activities on its own or through implementing agency , such as:
  - (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
  - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
  - (c) any entity established under an Act of Parliament or a State legislature; or
  - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- iv. The Company shall ensure that every entity, as above said who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01<sup>st</sup> day of April 2021. Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021.
- v. The CSR Committee will be responsible for periodically monitoring the CSR policy of the company. The CSR Committee will monitor the CSR activities at such intervals as may be required. The Committee will receive in a prescribed format, a report on CSR spend periodically.
- vi. The Company may build CSR capacities of its personnel and/ or those of its implementing agencies through institutions with established track record of three years,

but such expenditure shall not exceed 5% of total CSR expenditure of the Company in one financial year.

- vii. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - (b) the manner of execution of such projects or programmes
  - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (d) monitoring and reporting mechanism for the projects or programmes; and
  - (e) details of need and impact assessment, if any, for the projects undertaken by the company:
- Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- viii. The Company's Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- ix. In case of ongoing project, the Company's Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

#### **V. DISPLAY OF CSR ACTIVITIES ON WEBSITE**

The Board shall mandatorily disclose the composition of the CSR Committee, CSR Policy and Projects approved by the Board on Company's website, for public access.

#### **VI. REPORTING FRAMEWORK:**

- i. The Company's Board shall disclose the composition of CSR Committee in the Annual Report.
- ii. The Company's Board's Report shall include an annual report on CSR, including CSR initiatives undertaken by the Company and particulars specified in the Companies Act, 2013 and the rules made there under.
- iii. If the Company fails to spend or does not spend such amount, the Board shall, in its report specify the reasons for not spending the amount and transfer the CSR Unspent account to unspent CSR Account/ to the fund specified in Schedule VII of the Act.
- iv. Surplus arising out of CSR activities
- v. The Company will monitor progress on CSR activities and report to CSR Committee on an annual basis.

## VII. AMENDMENT

The Board on its own and/ or on the recommendation of the CSR Committee reserves its right to amend this Policy in whole or in part, at any time as and when deem fit. However, this policy, in whole or in part shall stand modified/amended from time to time, without any further act on the part of the Company, as and when there would be any statutory modification(s)/ amendment(s)/ revisions(s) made to the applicable provisions of the Act, or the Rules made there under.