BEW Engineering Limited

Corporate Social Responsibility (CSR) Policy

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1) Introduction.:

BEW Engineering Limited (“**the Company”**) is engaged in the design and manufacturing of Pharmaceutical & Chemical plants and process equipment. It believes that sustainable growth is achieved through responsible business practices and meaningful contributions to society. The Company recognizes its responsibility towards stakeholders and is committed to creating positive social, economic, and environmental impact through its Corporate Social Responsibility ("CSR") initiatives.

This Policy shall be called the "Corporate Social Responsibility Policy" of BEW Engineering Limited.

This Policy shall apply to all CSR activities undertaken by the Company in India and shall serve as the guiding framework for the selection, implementation, monitoring, and reporting of CSR projects and programmes.

This policy governs the operations of the Corporate Social Responsibility (hereinafter referred to as the **“CSR”**) Committee. The CSR Committee of Board of Directors of the Company has been established in accordance with the Companies Act, 2013.

2) Regulatory Framework.:

This Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

3) CSR Vision:

To contribute towards sustainable development by supporting initiatives that improve quality of life, promote education, healthcare, environmental sustainability, livelihood enhancement, and community welfare.

4) Definitions:

In this Policy, unless the context otherwise requires:

a) **“Act”** shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.

b) **“Board”** shall mean the Board of Directors of the Company.

c) **“Company”** shall mean BEW Engineering Limited and wherever the context requires, shall signify the Company acting through its Board.

d) **“Corporate Social Responsibility (CSR)”** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules.

e) **“Financial Year”** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

f) **“CSR Committee”** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.

g) **"CSR Policy"** means the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.

h) **“CSR Activities” or “Projects”** means Corporate Social Responsibility projects/activities/ programs/ initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.

   Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

i) **“CSR Annual Plan”** shall mean the annual plan detailing the CSR expenditure for the year.

j) **“CSR Expenditure”** means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee.

k) **“CSR Officer”** shall mean the whole time person engaged by the Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.

l) **“Agency” (or Agencies)** means any Section 8 Company or a registered trust/ society/NGO/ institution, that is eligible to undertake CSR activities and perform social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.

m) **"Net profit"** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
(i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

n) **"Trust"** means a Trust created and registered under the India Trust Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group Companies.

o) **"Zero coupon zero principal instrument"** means an instrument declared as a security that is issued by a Not for Profit Organization registered with the Social Stock Exchange segment of a recognised Stock Exchange in accordance with the regulations made by the Securities and Exchange Board of India.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

5) Governance:

The Company's Board of Directors have formed a CSR committee. This committee along with the CSR team, to be responsible for the decision making with respect to BEW CSR policy.

The CSR committee shall consist of three or more directors, out of which at least one director shall be an independent Director.

The Composition of CSR committee is available on the website of the Company at www.bewltd.com

- **Functions of the CSR Committee:**

Keeping in line with section 135 of the Companies Act, 2013 and the rules thereunder (hereinafter referred to as 'the Act'), the Board of Directors of the Company shall form a Corporate Social Responsibility Committee (hereinafter referred to as the 'CSR Committee') headed by an independent director, to inter alia, carry out the following functions:

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
b) Formulate and Recommend to the Board, CSR annual action plan, including modalities of execution, implementation schedules, monitoring mechanisms, and impact assessment requirements, where applicable.
c) Recommend the amount of expenditure to be incurred on the CSR activities;
d) Monitor the Corporate Social Responsibility Policy/CSR activities of the company from time to time.
e) Perform such other functions as may be prescribed under applicable law.

Further pursuant to Section 134(3), the Board report shall have disclosed the composition of the Corporate Social Responsibility Committee and the details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken during the year.

- **Duties and responsibilities:**

I. CSR Committee

a) The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at least once in a financial year or shall meet at regular intervals, as and when required, powers and discretions vested in or exercisable by the committee.

b) In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.

II. Board of Directors

a) To approve the CSR Policy.
b) To ensure implementation of approved CSR activities.
c) To ensure spending of the prescribed CSR amount:

The Board to ensure that minimum of 2% of average net profit of the last 3 years is spent on CSR initiatives undertaken by the Company. All expenditure towards the programs to be diligently documented.

In case at least 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in the CSR report.

Any surplus generated out of the CSR activities not to be added to the normal business profits of the Company. Any amount spent in excess of its prescribed CSR expenditure during a financial year, a set-off may be claimed in compliance with the provisions of Companies Act, 2013.

d) To monitor CSR implementation through the CSR Committee.

e) The Board shall include in its report the annual report on CSR Projects as per the format provided in the Annexure to the rules.

6) Implementing Strategy:

1. The Company shall ensure that in identifying its CSR Projects/ Activities, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

2. The CSR Committee shall institute a transparent monitoring mechanism for implementation of CSR projects and utilization of CSR funds.

3. The CSR Officer may engage external professionals/firms/agencies if required for the purpose of identification of CSR Projects, document due diligence and performance review.

4. The Company shall implement the identified CSR Projects/ Activities by the following means:

   i. Direct Method- The Company undertakes CSR activities/ projects directly itself or through its own dedicated CSR teams.

   ii. Indirect Method-

      a) The Company may implement the identified CSR Projects through Agencies, subject to the condition that:

         - The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided.

         - The Agencies must be registered with the Ministry of Corporate Affairs and file the formal e-form CSR-1.

The Company may undertake due diligence of implementing agencies, including review of registration status, track record, governance standards and CSR-1 registration.

b) The Company may undertake CSR activities through Zero Coupon Zero Principal (ZCZP) Instruments listed on a Social Stock Exchange, in accordance with such guidelines, notifications, or clarifications as may be issued by the Ministry of Corporate Affairs (MCA) from time to time. The contribution through ZCZP Instruments shall not exceed 10% of the total CSR expenditure of the Company for that relevant financial year.

c) The Company may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

7) CSR Projects/Activities: -

The Company has to spend on CSR Projects/ activities as per Schedule VII of the Companies Act, 2013 as follows:

i. Eradicating hunger, poverty and malnutrition, [‘‘promoting health care including preventive health care’’] 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 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 govt. 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;

xii. disaster management, including relief, rehabilitation and reconstruction activities;

xiii. Subscription to zero coupon zero principal instruments on Social Stock Exchange.

8) Others:

1. The Chairman and the Managing Director of the Company are authorized severally to decide on projects/activities to be implemented within the allocation as per the Annual Plan.
2. Any surplus arising out of the CSR Projects/activities shall not form a part of the business profit of the Company.

9) Review Periodicity and amendment:

This policy is prepared subject to provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and/or any other law as may be applicable in this regard. If a provision of this policy is inconsistent or contrary to any law in force in India, such law, rules and/or regulations shall prevail over the policy.

The Board has the right, subject to applicable laws and regulations, to modify this policy, to reconstitute/dissolve the committee or to supersede its actions. The adequacy of this policy shall be reviewed and reassessed by the committee, as and when required and appropriate recommendations shall be made to the Board to update the policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

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