

Corporate Social Responsibility Policy

Policy Approved by:	Board of Directors
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1. Background

Corporate Social Responsibility (CSR) Policy (“the Policy”) has been developed in accordance with Section 135 of the Companies Act, 2013 (hereinafter referred “the Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 along with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. This Policy, which encompasses Company philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is termed as “Exide Life **CSR Policy**”. This Policy shall apply to all CSR projects/programs undertaken by Exide Life Insurance in India as per Schedule VII of the Act.

2. Definitions

a. Administrative Overheads

It means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

b. Corporate Social Responsibility (CSR)

It 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, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of normal course of business of the company;
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

c. CSR Committee

CSR Committee means the committee of the Board constituted as per the requirements of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 as amended from time to time.

d. CSR Policy

It means a statement containing the approach and direction given by the Board of Exide Life, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan.

e. Net Profit

It 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.

f. Ongoing Project

It means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

3. Objective

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for Exide Life to undertake and fulfill its corporate social responsibility. The Policy will function as a built-in, self regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms.

4. CSR Activities

Exide Life Insurance will undertake CSR projects related to the areas and subjects as specified in Schedule VII of the Companies Act, 2013 as amended from time to time.

5. Implementation

- Exide Life Insurance will implement its CSR activities in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereafter.
- The Project/ Activities would be implemented directly by the Company or through partnerships with the NGO's, Trusts or companies. The Company encourages its employees to do volunteering activities through partnered NGOs to reinforce CSR amongst employees and to reinforce responsibility as a corporate entity.
- CSR activities shall be focused in the areas adjoining Exide Life Insurance offices across India. The Company shall endeavor to make an impact in the areas where it is present. The programs identified will normally fall within a radius of 50-100 kms from Exide Life Insurance office locations for the purposes of appropriate supervision and /or participation.

6. CSR Expenditure

- **Administrative Overheads Limit:** The board shall ensure that the administrative overheads shall not exceed five percent (5%) of total CSR expenditure of the Company for the financial year.
- **Directional to Mandatory CSR Liability:** It is mandatory to spend the CSR amount under the revised Rules.
 - i) CSR Liability – if Entire amount spent – Report in Directors' Report
 - ii) CSR Liability – if entire amount not spent:
 - a) Is there an ongoing project – NO – Transfer to Govt. funds notified in Schedule VII within 6 months of the expiry of the Financial Year;
 - b) Is there an ongoing project – YES – to open an Unspent CSR Account with Bank for each particular year within 30 days of the expiry of the Financial Year – Deposit the unspent amount – if not spent/utilized within 3 years – transfer the same within 30 days to Govt. funds as notified in Schedule VII after the expiry of the 3rd Financial Year.
- **Treatment of Surplus:** Any surplus arising out of the CSR activities shall not form part of the business profit of a 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 annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- **Treatment of Excess Spending:** Where a company spends an amount in excess of requirement (beyond its CSR obligation for that particular year), such excess amount may be set off against the requirement to spend under sub-section (5) of Section 135 up to immediate succeeding three financial years subject to the conditions that –
 - i) the excess amount available for set off shall not include the surplus arising out of the CSR activities,
 - ii) the Board of the company shall pass a resolution to that effect.
- **Expenditure on Capital Asset:** The CSR amount may be spent by a Company for creation or acquisition of a capital asset, which shall be held by –
 - a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c) a public authority

7. CSR Committee

- CSR Committee of the Board of Exide Life Insurance shall be constituted in accordance with the applicable provisions of the Act. The Committee shall consist of such number of Members as the Board may determine from time to time, but in any event not less than three (3) Members. The Committee Members shall be appointed by the Board.
- The CSR Committee of Exide Life Insurance will be responsible for following:
 - i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy (as defined supra) which shall indicate the activities to be undertaken by the Company in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereafter.
 - ii) Recommend the annual budgeted expenditure in accordance with the provisions of Section 135 of the Companies Act 2013 and applicable rules to the Board for its consideration and approval.
 - iii) To oversee the governance of a transparent monitoring mechanism for ensuring implementation of the projects / programs / activities proposed to be undertaken by the Company read with the provisions of Annual Action Plan.
 - iv) To re-evaluate Social Responsibility, from time to time, in light of changes in public perception, industry best practices, and evolving priorities in the local areas of its operation.
 - v) To meet to review and discuss the annual report of the CSR projects undertaken by the Company during the year in the first meeting post closure of financial year.

- vi) To annually report to the Board that the implementation and monitoring of CSR policy, is in compliance with CSR objective and Policy of the company. The report shall be prepared in the format, if any, recommended under the Rules.
- vii) To review the Policy from time to time and recommend changes to the Board, whenever required.
- 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: *(This will promote adoption of professional management principles towards better planning of CSR activities and expenditure. This will likely to minimize the ad-hoc allocation of CSR funds).*
 - 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 as specified in sub-rule (1) of rule 4;
 - 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. "

8. Responsibilities of the Board and CFO and Disclosure Requirements

The Board of Exide Life Insurance shall be responsible for following:

- i) **CSR Policy:** Basis the recommendation of the CSR Committee to review and approve the CSR Policy (as defined in the definition part supra).
- ii) **Implementation and Annual action Plan:** Ensure implementation of the activities proposed to be undertaken by the Company and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan.
- iii) **Funds Utilization and CFO Certification:** 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.
- iv) **Matter relating to Ongoing Project:** In case of ongoing project, 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) **Disclosure/Display Requirements:** Mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

New disclosure templates applicable for FY 2020-21. Following details required to be disclosed:

- Excess CSR spend carried forward and set-off
- Surplus arising out of CSR projects
- Unspent CSR amount transferred to "Unspent CSR Account" and/or "Schedule VII funds"
- Separate disclosure for "ongoing projects" and "other than ongoing" projects
- Details of capital assets created / acquired under CSR

9. Management Committee for CSR

If deemed appropriate committee may for the purposes of ensuring effective implementation of CSR Policy and operational management of activities therein recommend constitution of 'Corporate Social Responsibility Management Committee' ("Management Committee") of not less than 3 members of leadership team. The Managing Director & CEO is authorized to nominate the members of leadership team to the Management Committee.

The Managing Director & CEO can also depute such other employees of the Company, as he may deem appropriate, as an invitee to the CSR Management Committee of the Company.

10. Penalties prescribed under the Law

Penalty clause in case a Company fails to:

- disclose unspent amount in annual report on CSR, or/ and;
- transfer unspent amount into fund specified in Schedule VII within specified time, or/ and;
- transfer unspent amount relating to ongoing project into unspent CSR account within specified time, or/ and;
- transfer amount remaining utilized in unspent CSR account after 3 years into fund specified in Schedule VII within specified time.

A Company in default shall be liable to a penalty of lower of the following amounts:

- twice the amount required to be transferred by the company to the Fund specified in Schedule VII/ Unspent Corporate Social Responsibility Account;
- one crore rupees.

Every officer of the company in default shall be liable to a penalty of lower of the following amounts:

- one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII/ Unspent Corporate Social Responsibility Account;
- two lakh rupees.

11. Review of the Policy

The Policy will be reviewed from time to time, as may be required. Any amendment to the Policy will require approval from the Board.

FOR EXIDE LIFE INSURANCE COMPANY LIMITED

**ANKIT SINGHAL
COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER**