



Bharti AXA Life Insurance Company Limited

Corporate Social Responsibility (CSR) Policy

Version 1.0

Document Properties

Corporate Social Responsibility Policy	
Geographic applicability: India	
Policy Approval Authority	Board of Directors
Policy Owner	Company Secretary
Policy Implementation Authority	CEO & MD
Version	1.0
Issue Date	21 March 2023

Policy Version		
Date	Revision Description	Version
21 March 2023	Adoption of Policy	1.0

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1. Preamble

Bharti AXA Life Insurance Company Limited has the vision of pursuing wider socio-economic and cultural objectives and aims to be committed to social causes and to contribute to the society by supporting causes of healthcare, education, environment, financial literacy, insurance awareness and disaster support.

The Corporate Social Responsibility Policy (hereafter referred to as 'Policy') of Bharti AXA Life Insurance Company Limited (hereafter referred to as 'the Company') has been designed in consonance with Section 135 of the Companies Act, 2013 (hereafter referred to as 'Act') to lay down the guidelines for undertaking CSR initiatives at Bharti AXA Life Insurance Company Limited in accordance with the Companies (Corporate Social Responsibility Policy), Rules, 2014 (hereafter referred to as 'Rules') and IRDAI Corporate Governance Guidelines, as amended from time to time.

This Policy lays down the guiding principles or rules that shall apply to all CSR programs/projects to be undertaken by the Company, as per Schedule VII of the Act, within the geographical limit of the Republic of India.

Any changes in the CSR Policy shall be subject to the approval of the Board of Directors and will be effective from the date of such Board approval.

2. Definitions

- a. "Act" means the Companies Act, 2013 along with amendments thereto;
- b. The "CSR Rules" means The Companies (Corporate Social Responsibilities Policy) Rules, 2014 along with amendment thereto;
- c. The "Company" means Bharti AXA Life Insurance Company Limited;
- d. "Corporate Social Responsibility" means the activities undertaken by a Company either on its own will, subject to approval of the Board of Directors or in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in the Rules, subject to the exclusions as provided in the CSR Rules;
- e. "CSR Activities" means the permissible activities as per Schedule VII of the Companies Act, 2013, subject to the exclusions as provided in the CSR Rules;
- f. "Administrative Overheads" shall have the meaning as defined in the CSR Rules;
- g. "CSR Committee" means the Committee which shall be constituted by the Company under Section 135 of the Companies Act, 2013;
- h. "CSR Expenditure" means the expenditure approved by the Board of Directors of the Company for CSR activities;
- i. "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, if any, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- j. "International Organization" shall have the meaning defined in CSR Rules;
- k. "Ongoing Project" shall have the meaning as defined in the CSR Rules.

3. Focus areas

The Company's CSR and Welfare activities will center on the following areas:

- 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 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 centers 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 recognized 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. 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;
 - X. 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 Organization (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);
 - XI. Rural development projects;
 - XII. Slum area development (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);
 - XIII. Disaster management, including relief, rehabilitation and reconstruction activities.

4. Undertaking CSR Activities

The Company shall undertake all CSR activities that are approved by the Board of Directors of the Company, under this Policy. Further, all the CSR initiatives and activities of the Company shall be guided and shall fall within the ambit of Schedule VII of the Companies Act, 2013.

The CSR initiatives, programs, projects and activities of the Company shall be undertaken by itself (direct mode) or through:

- a. A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Provided that where the Company undertakes any CSR Spend through an Implementation Agency, it shall ensure that the said agency has obtained a CSR Registration Number from the Ministry of Corporate Affairs, prior to approval of such program or project.

5. Selection and Implementation of CSR Activities and Projects

The Board of Directors shall consider CSR proposals from Internal Committee comprising of senior management personnel, Bharti Foundation or through any other eligible entity. In order to be considered by the Board of Directors, such proposals must inter-alia contain details of projects/ programs to be undertaken, proposed amount and timelines.

The Board of Directors will evaluate the projects/ programs and may, at its sole discretion, approve certain projects/ programs for implementation. While approving projects/ programs, the Board shall ensure that those are covered under the ambit of activities listed in Clause 3 above.

The CSR Activities to be undertaken by the Company under the Policy shall form part of annual action plan.

6. CSR Budget

The Company will ensure that in each Financial Year (FY), at least 2% (two percent) of the average net profit (calculated as per Section 198 of the Act) made during the immediately preceding FYs, is spent on CSR Projects/programs subject to regulatory requirements as applicable from time to time.

The Board shall approve overall limits for CSR Activities to be undertaken by the Company. The projects/ programs or activities to be chosen by the Company shall correspond to its CSR Policy as well as its annual action plan, as amended from time to time.

The excess amount incurred by the Company on CSR projects, programs or activities may be set off against the requirement to spend in succeeding financial year's in consonance with the applicable provisions.

The Company may voluntarily spend towards CSR activities, if not eligible under Section 135 of the Companies Act, 2013 subject to approval of Board of Directors.

7. CSR Expenditure

The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to general management and administration of CSR functions in the Company.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the unspent CSR account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

The unspent amount, if any other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the respective financial year.

Further, if the Company spends an amount in excess of the requirement provided under sub-section (5) of Section 135, then such excess amount may be set off against the requirement to spend under sub-section (5) of Section 135 up to immediate succeeding 3 (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, if any, in pursuance of sub-rule (2) of Section 135;
- II. The Board of Directors shall pass a resolution to that effect.

8. Impact Assessment:

Where the average CSR Obligation of the Company exceeds Rs. 10.00 Crores or more in the 3 (three) immediately preceding Financial Years, the Company shall undertake an Impact Assessment, through an independent agency, of their CSR Projects having financial outlays of Rs. 1.00 Crore or more, and which have been completed not less than 1 (one) year before undertaking the impact study.

The Impact Assessment Reports shall be placed before the Board and shall be annexed to the Annual Report.

In case of Impact Assessment, the Company may book the expenditure towards Corporate Social Responsibility for that Financial Year, which shall not exceed 2% (two percent) of the total CSR expenditure for that financial year or Rs. 50.00 Lakhs, whichever is higher.

9. Treatment of Unspent CSR Amount

a. Transfer of Funds, in case of Ongoing Projects:

The Unspent CSR Funds towards Ongoing Projects shall be transferred within a period of 30 (thirty) days from the end of the respective Financial Year to an Unspent Corporate Social Responsibility Account, to be held by the Company, in a Scheduled Bank. Such amount shall be spent by the Company towards CSR within a period of 3 (three) financial years from the date of such transfer, failing which, the Company shall transfer the amount to a Fund specified in Schedule VII of the Act, within a period of 30 (thirty) days from the date of completion of the third financial year.

b. Transfer of Funds, in case of Other than Ongoing Projects:

The Unspent CSR Funds towards other than any Ongoing Projects, shall be transferred to a Fund specified in Schedule VII of the Act, within a period of 6 (six) months of the expiry of the respective financial year.

10. CSR Governance Structure:

The Company shall have a robust governance mechanism to oversee the implementation of its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 and the Rules.

The governance for the CSR interventions of the Company shall be led by the Board of Directors. However, when the amount to be spent by the Company exceeds Rs. 50.00 Lakhs, the requirement for the constitution of a Corporate Social Responsibility (CSR) Committee under sub-section (1) of the Act shall become applicable.

Further, pursuant to Clause 7.6 of the IRDAI Corporate Governance Guidelines for Insurers in India, for Indian Insurance Companies, a CSR Committee is required to be set up if the insurance company earns a Net Profit of Rs. 5.00 Crores or more during the preceding financial year.

Further, 'Net Profit' for this purpose shall be under:

"Net profit" means the "profit/(loss) before tax" as per its financial statements prepared in accordance with

the applicable provisions of the Insurance Act, 1938 and the Regulations framed thereunder, 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 Companies Act.*

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Insurance Act, 1938, shall not be required to be re-calculated in accordance with the provisions of the Companies Act.

The Company may undertake the CSR activities through the CSR Committee or Board of Directors under the Companies Act, 2013 or through an Internal Committee which shall be constituted by the management of the Company. The Company shall mandatorily carry out CSR activities through CSR Committee if so required under the provisions of the Companies Act, 2013.

In accordance to Section 135 sub-section (9), since the constitution of CSR Committee is not applicable to the Company as on date, the functions of such Committee provided under the Companies Act, 2013 shall be discharged by the Board of Directors of the Company. Accordingly, the roles and responsibilities of the Board of Directors are mentioned below.

Roles and Responsibilities of the Board of Directors:

- a. Approval of the CSR Policy of the Company;
- b. Disclosure of the Policy in its Report and placing the same on the Company's website as prescribed under Section 135 of the Act and the Projects approved by the Board of Directors, if any, for public access;
- c. If applicable, ensure that the Company spends, in every financial year, at least 2% (two percent) of the average net profits of the Company made during the three immediately preceding financial years, if any, in pursuance of the CSR Policy. In case the Company is not able to spend the required amount, the Board shall report it in its Report under Section 134 sub-section (3) clause (o) of the Act for not spending the amount;
- d. To constitute / re- constitute the CSR Committee of the Company, if required.
- e. The Board of Directors may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
- f. The Board of Directors shall satisfy itself that the funds so disbursed have been utilized for the purpose and in a manner approved by it and the Chief Financial Officer of the Company or the person responsible for the financial management shall certify to the effect;
- g. In case of Ongoing Project, the Board of Directors shall monitor the implementation of the project(s) 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;
- h. The Board of Directors may engage international organisations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy.
- i. The Board of Directors shall approve an Annual Action Plan in pursuance of the CSR Policy as recommended by the CSR Committee, if any, or an Internal Committee as may be constituted by the management of the Company in this regard;
- j. The Board of Directors shall ensure that the administrative overheads shall not exceed 5% (five percent)

- of total CSR expenditure of the Company for the financial year;
- k. To ensure that activities reflected in CSR Policy are undertaken by the Company.

11. Monitoring and Reporting Framework:

- The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR Project has:
 - a. Clear objectives developed out of societal needs that are determined through baselines studies and research;
 - b. Precise targets, time lines and measurable parameters wherever possible;
 - c. A progress monitoring and reporting framework aligned to the requirements of Section 135 of the Act.
- The progress of the CSR Projects and Expenditure will be reviewed once every 6 (six) months;
- The Company will establish an accounting system to ensure project-wise accounting of CSR Spend;
- The Board's Report of the Company shall include an Annual Report on CSR containing particulars specified in Annexure I or Annexure II of CSR Rules, as applicable;

12. Location

All CSR projects / programs under this policy shall be undertaken in India and the Company shall give preference to local area and areas around it operates specifically in states where it is expanding its business / operations. The Board of Directors shall decide on locations for implementation of the CSR projects / programs.

13. Review of the Policy:

The Board of Directors (till a CSR Committee is constituted) shall review and amend this Policy to ascertain its appropriateness as per the needs of the Company. The review shall be carried out at least once a year. In the event of any conflict between the provisions of the Policy and the Act or any other statutory enactments, rules, the provisions of the Act or statutory enactments, rules shall prevail over this Policy.

The Board may, subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

14. Effective Date:

The Effective Date of this Policy is 21 March 2023.