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**TERMS OF REFERENCE**

**FOR CORPORATE SOCIAL**

**RESPONSIBILITY COMMITTEE**

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**BIRLA ERICSSON OPTICAL LTD.**

Regd. Office: Udyog Vihar, P.O. Chorhata, Rewa - 486 006 (M.P.), India

CIN: L31300MP1992PLC007190

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# **BIRLA ERICSSON OPTICAL LIMITED**

## **TERMS OF REFERENCE FOR CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company in pursuance to the provisions of newly enacted Companies Act, 2013 is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board and the matter is placed before the Board of Directors for its consideration in its meeting to be held on 19<sup>th</sup> May, 2014. The Company in compliance with the provisions of Section 135 of the Companies Act, 2013 read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014, places the following Terms of Reference of the CSR Committee for consideration and approval of the Board. Accordingly, it is proposed that the CSR Committee shall act as per following terms, authority and obligations:

### **(A) MEETINGS & PROCEEDINGS:**

- (1) The Quorum for a meeting of the CSR Committee shall be either two members or one third of the members of the Committee, whichever is higher but subject to a minimum of two (2) Directors.
- (2) The CSR Committee shall meet at least two(2) times in a year and not more than seven(7) months shall lapse between two meetings.
- (3) The Chairman of the CSR Committee shall be present at the Annual General Meeting of the Company to answer shareholders' queries relating to the Company's CSR activities.
- (4) The Company Secretary shall act as the Secretary of the CSR Committee.

### **(B) FUNCTIONS OF THE CSR COMMITTEE:**

The CSR Committee shall:

1. Ensure compliance to the provisions of Section 135 of the Companies Act, 2013 read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
2. Formulate and recommend to the Board, a CSR Policy in accordance with the provisions of the Companies Act, 2013 read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014, which shall indicate-
  - (a) the activities to be undertaken by the Company in terms of CSR Policy, as projects or programs or activities (either new or ongoing but excluding activities undertaken in pursuance of Company's normal course of business) as specified in Schedule VII to the Companies Act, 2013 and recommend the amount of expenditure to be incurred therein; **and/or**
  - (b) consider and approve the CSR Activities in case the Board of Directors of the Company decides to undertake its CSR Activities through a registered trust or a registered society or a company established by the Company or its subsidiaries or an associate company under Section 8 of the Companies Act, 2013 or otherwise; provided that –

- (i) if such trust, society or company is not established by the Company or its subsidiaries or an associate company, it shall have an established track record of three years in undertaking similar programs or projects;
  - (ii) the Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism; **and/or**
  - (c) To act in consonance and harmony with the CSR Committees of respective companies, if the Company decides to collaborate with other companies for undertaking projects or programs or CSR Activities in such a manner that CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014.
2. Recommend the amount of expenditure to be incurred on each of the activities to be undertaken by the Company and referred to in the CSR Policy provided that while recommending the amount of expenditure to be incurred, a preference to the local area and areas around which the Company operates, for spending the amount earmarked for CSR Activities;
  3. Monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

**(C) CSR ACTIVITIES:**

The following activities which may be included in CSR policy of the Company:

1. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. 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;
4. 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;
5. 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 arts and handicrafts;

6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
8. 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;
9. contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
10. rural development projects.

**(D) DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE:**

The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the Company and disclose contents of such Policy in its Report and the same shall also be displayed on the Company's website as per the particulars specified in the attached Annexure.

Terms of Reference of the "Corporate Social Responsibility Committee" may be amended, elaborated and expanded by the Board from time to time and such Terms of Reference and any amendment, elaboration and expansion thereof shall always be specified in writing.

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES  
TO BE INCLUDED IN THE BOARD'S REPORT**

- (1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
- (2) The composition of the CSR Committee.
- (3) Average net profit of the company for last three financial years.
- (4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above).
- (5) Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year;
  - (b) Amount unspent, if any;
  - (c) Manner in which the amount spent during the financial year is detailed below.

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs <b>Sub-heads:</b> (1) District expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount Spent:  Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.							
2.							
3.							
	<b>TOTAL</b>						

- Give details of implementing agency:

- (6) In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.
- (7) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company.

Sd/- (Director)	Sd/- (Chairman - CSR Committee)
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