

ANNEXURE-4

Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year 2022-23

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Board of Directors of the Company had approved the Corporate Social Responsibility Policy of the Company pursuant to Section 135 of the Companies Act 2013 ("the Act") and relevant rules prescribed thereunder.

The Policy, inter-alia, lays down the criteria for identifying programmes eligible for financial assistance and for determining the quantum of assistance in relation with such programmes, implementation procedure for programmes, evaluation, monitoring and reporting framework and administration mechanism. Programmes that are eligible in accordance with the Act and are consistent with the CSR themes of the Company shall be eligible for grants.

Following CSR themes are given preference while formulating Annual Action Plans:

- i. Local Area Development
- ii. Social Mission - (Responsible Travel & environmental sustainability)
- iii. Road Safety

CSR Committee may include any other themes on CSR that are within the purview of Section 135 of the Act read with Schedule VII thereto.

The Company ensures that every programme has:

- i. Clearly defined objectives consistent with the Policy
- ii. A system for monitoring actual spending by the grantees
- iii. Impact assessment, wherever required
- iv. A reporting framework/system

Prospective CSR programmes are presented to the CSR Committee for evaluation. The proposal includes the proposed budget, social need for the programme and benefits expected. The CSR Committee recommends desirable programmes with all necessary details to the Board for approval.

All CSR programmes are closely monitored through field visits, comprehensive documentation and regular interaction with beneficiary communities.

Your Company implements its CSR Programmes on its own or through Eicher Group Foundation (EGF), a section 8 Company incorporated by the Company and its unlisted subsidiary VE Commercial Vehicles Limited (VECV) with a view to facilitate and monitor CSR initiatives of the Company and VECV. The Company also collaborates with third parties for undertaking CSR Programmes in such manner as the CSR Committee may deem fit.

Your Company will continue to support social projects that are consistent with the policy.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee which the members were eligible to attend during the year	Number of meetings of CSR Committee attended during the year
1	Mr. S. Sandilya	Chairman, Non-Executive Independent Director	3	3
2	Mr. Siddhartha Lal	Member, Managing Director	3	3
3	Mr. Inder Mohan Singh	Member, Non-Executive Independent Director	3	3
4	Ms. Manvi Sinha	Member, Non-Executive Independent Director	3	3

3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

Composition of the CSR committee is mentioned above and is available on the Company's website at <https://www.eicher.in/constitution-of-board-committee>

CSR Policy of the Company is available at <https://www.eicher.in/content/dam/eicher-motors/Eicher-Corporate-Social-Responsibility-Policy.pdf>

CSR Projects approved by the Board are available at <https://www.eicher.in/details-of-csr-projects>



4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE:

Below is the executive summary of the impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. The detailed impact assessment report(s) can be accessed on the website of the Company at <https://www.eicher.in/investors-overview/corporate-governance/csr>

(A) Holistic Village Development of Community, Vallam Village, Tamil Nadu: Project implementation agency of the Company - Eicher Group Foundation (EGF), in partnership with the Habitat for Humanity India Trust, has created significant positive impact on the lives of the people of Vallam village in Tamil Nadu through different interventions with respect to Sanitation, Safe Drinking water, Education, and Water conservation. This was demonstrated through an Impact Assessment Study carried out by Soulace Consulting Pvt. Ltd., that used a mixed approach of quantitative and qualitative surveys to ascertain factual and reliable outcomes of the project related to Holistic Village Development of Community in Vallam Village.

The study revealed that EGF supported the construction of individual household toilets, setting up of community RO water purifying plant and rooftop rainwater harvesting structures and renovation of school infrastructure. The qualitative aspect of the study showed that the beneficiaries of this project, the villagers who largely came from rural marginalised communities and the members of the village Panchayat, were happy with these initiatives. In fact 51% of the respondents work as daily wage earners while 26% hold employment in private jobs. Most of the respondents, around 69%, have monthly incomes ranging from Rs. 5,000 to Rs. 10,000.

As a result of the construction of individual household toilets, the villagers declared that open defecation in the village vicinity, which was a problem in the past, has reduced significantly; 92% of the toilets constructed were functional while the remaining 8% needed some maintenance work and were non-functional. The respondents also said that the toilets that had been constructed were of good quality. The issue of open defecation however has not been eradicated completely due to the lack of proper toilet facilities at the workplace, as a result of which people continued to defecate openly during working hours, said 34% of the respondents.

The study shows that all beneficiaries relied on the newly set up RO Water ATM that provides clean and safe drinking water at Rs. 5 for 10 litres. Approximately, 60% of the respondents said that the water received at the RO Water ATM is excellent quality. Prior to the setting up of this ATM, the villagers relied on hand pumps and water supplied by water tankers for their daily needs. This resulted in significant suffering through the summer months when clean and safe drinking water would be in short supply.

To offset the seasonal scarcity of water, EGF has also set up rooftop rainwater harvesting facilities in 328 houses in Vallam. With this infrastructure in place, villagers will be able to collect and store rainwater through proper channels resulting in a usable supply in their wells when the monsoon showers set in. The setting up of rainwater harvesting facilities will also reduce mud in the village vicinity and make roads and pathways more usable through the rainy season.

The study also showed that student attendance at the RCM schools has increased as a result of interventions with respect to renovation and repair of school infrastructure. Constructions of sanitation blocks, hand wash units and renovation of the kitchens have resulted in general happiness among the school teachers. They also said that the facilities were good and were being used regularly.

(B) Royal Enfield Academy for Skill Development: The Royal Enfield Academy for Skill Development is an initiative that aims to train students with diplomas, in the age group 19 to 26 years. The objective is to develop vocational skill with the goal of 100% placement. Of the people who have completed their training, 62% are currently employed in the automobile trade with 51% earning Rs. 12,000 per month and 12.9% are able to financially contribute to their families. The majority of employed beneficiaries have a work experience varying from 6 months to 1 year. The qualitative aspect of the study carried out by Soulace Consulting Pvt. Ltd. showed that 78% of the students and trainees feel that the syllabus is well structured while 72% agree that the timings of the training schedule is convenient. The month long training programme has fixed classes totalling 8 hours daily, with training being a mix of theory and practical application.

(C) School Education: Company's supported Shikshak Pehal Programme (SPP) has been delivering quality education to marginalized children living in remote villages of Thanagazi and Umrain blocks of the Alwar district, for over 23 years. Bodhshalas and Learning Centres are running with enrolment of approximately 5446 students from pre-school to grade eight.

Impact assessment of said program was carried out by CSR Box and assessment period is from 2019 to 2022. The study adopted a mixed methodology i.e. quantitative and qualitative approach. The study used the National Education Policy 2020 framework - Access, Equity, Quality, Affordability and Accountability. School quality checklist and evaluation on

rubrics were used to identify the quality standards. Adopting a 360-degree approach, three research designs were administered across the study - descriptive, experimental and cross sectional.

Overall, the study found that SPP is an inclusive programme with enrolment of 39% OBC, 25% SC, 20% ST and 16% GEN category students. Delivery of education continued in community places and Shiksha Ghars throughout pandemic. In all, 88% of enrolled students attended classes during pandemic. Oral lessons (95%), worksheets (89%) and textbooks (26%) were used as teaching material during classes during pandemic. Teachers played a crucial part in maintaining the proper execution of this programme. All teachers interviewed had undergone extensive training to adopt new learning methods in teaching. Over 95% teachers feel highly motivated to teach every day in Bodhshalas and Learning Centres. 89% teachers from category A Bodhshalas agreed that lesson delivery became better using smartboards. Over 95% students stated they shared a good bond with teachers. For detailed report, please refer to the link provided above.

Healthcare and other initiatives:

The Company also works towards providing quality and affordable healthcare to the community. One such initiative of the Company is with Dr. Shroff's Charity Eye Hospital where the Company contributes towards the running expenses, infrastructure and research & development of the Hospital. Impact assessment on said program will be undertaken at appropriate time and details with the shared.

For details on other CSR initiatives of the Company, please refer to CSR section of the integrated report, which form part of the Annual Report.

- 5. (a) Average net profit of the company as per sub-section (5) of section 135:** Rs. 2,255.89 crores
(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 45.12 crores
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:
 Rs. 0.06 crore (bank interest earned)
(d) Amount required to be set-off for the financial year, if any: NIL
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 45.18 crores
- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Rs. 11.09 crores
(b) Amount spent in Administrative Overheads: Rs. 1.88 crores (includes administrative expenses on amounts spent on previous years projects)
(c) Amount spent on Impact Assessment, if applicable: Rs. 0.08 crore
(d) Total amount spent for the financial year [(a)+(b)+(c)]: Rs. 13.05 crores
(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (Rs. in Crores)	Amount Unspent (Rs. in Crores)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
13.05	32.13	April 28, 2023		Not Applicable	

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (Rs. in Crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	45.12
(ii)	Total amount spent for the Financial Year	13.05
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0.06
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil



7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Preceding Financial Year(s)	Original Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (Rs. in Crores)	Balance Amount in Unspent CSR Account as on April 1, 2022, under sub-section (6) of section 135 (in Rs. in Crores)	Amount Spent in the Financial Year (Rs. in Crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any Amount Date of (in Rs. in Transfer Crores)	Amount remaining to be spent in succeeding Financial Years (Rs. in Crores)	Deficiency, if any
1	FY 2020-21	24.92	16.75	12.74	Not Applicable	4.01	Not Applicable
2	FY 2021-22	24.97	24.97	16.13	Not Applicable	8.84	Not Applicable

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

Yes No

If Yes, enter the number of Capital assets created/acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of Entity/Authority/Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

Not Applicable

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB-SECTION (5) OF SECTION 135:

Eicher Group Foundation, a Section 8 Company incorporated by the Company and its unlisted subsidiary VE Commercial Vehicles Limited, plans and executes the CSR projects of the Company as long term/ continuous projects. Spending is planned as per the requirements of the projects. The unspent CSR amount for Financial Year 2022-23, as mentioned under Para 6, is transferred to a separate unspent CSR account pursuant to the provisions of Section 135 of the Act read with Schedule VII and relevant rules prescribed thereunder. The Company has plans to spend the entire money in the unspent CSR accounts towards its CSR projects within the prescribed timelines.

Date: May 11, 2023

Siddhartha Lal
Managing Director
DIN: 00037645
Place: London, UK

S. Sandilya
Chairman, CSR Committee
DIN: 00037542
Place: Chennai, Tamil Nadu