



**J S AUTO CAST FOUNDRY INDIA PRIVATE LIMITED**  
**CORPORATE SOCIAL RESPONSIBILITY POLICY**

## **1. PHILOSOPHY AND OBJECTIVE:**

At J S Auto Cast, Corporate Social Responsibility (“CSR”) has evolved over decades with the simple objective of ‘giving back to the society’. We are, therefore, committed to integrate CSR with the business processes for sustainable growth and development. We would like to emphasize our initiatives in specific areas of social development that would include Village Development, primary, secondary and tertiary education for the underprivileged children, skills development, health & hygiene, cleanliness, Swachh Bharat, women empowerment, environmental sustainability and ecological protection and encouragement to nationally recognized sports. We believe our initiatives in these areas would continue to contribute significantly to the overall welfare of the society to make a difference in the quality of living of people from rural and urban areas.

## **2. VISION AND APPROACH:**

Our Corporate Values in identification and execution of the CSR initiatives include:

- Empathy - Empathy towards the needy
- Transparency - Transparency in conduct, monitoring, and reporting
- Integrity - Upholding integrity in all aspects
- Accountability - Accountable for what is committed.
- Excellence - Excellence in execution

The major focus on CSR to promote and develop community in following aspects:

- Health
- Infrastructure
- Education
- Environment

## **3. SCOPE AND APPLICABILITY:**

This policy is applicable to JS Auto Cast Foundry India Private Limited. The said policy can be read in alignment with the requirements of Section 135 of the Companies Act, 2013 (‘the Act’) and the corresponding rules made there under, as amended from time to time (‘CSR Rules’), Schedule VII of the Act.

The scope of this policy is to strategically draw the guiding principles for selection, implementation, and monitoring of CSR projects/programs as well as formulation of the annual action plan by the Board of the Company, after taking into account the recommendations of its CSR Committee.

## **4. DEFINITIONS:**

“**CSR Team**” means a Team designated by the CSR Committee which shall be responsible for the implementation of the CSR projects and related work, comprising of the following officials:

- i. Head of Human Resource;
- ii. Head of Production;

- iii. Head of Management;
- iv. Any nominee appointed by officials mentioned in point (i) to (iii) above; and
- v. Any other person as appointed by Chairperson of the CSR Committee, if any.

In this policy, unless the context otherwise provides/requires, words and expressions used in the policy shall have the same meanings respectively assigned to them in the Act or rules made there under.

## **5. GUIDING PRINCIPLES FOR SELECTION, IMPLEMENTATION AND MONITORING OF CSR PROJECTS/PROGRAMS:**

### **I. SELECTION OF CSR PROJECTS/PROGRAMS/AREAS TO BE COVERED FOR CSR:**

- a. The guiding principle while identifying any CSR Projects or Programs by the Company largely stems from the vision and philosophy of CSR initiatives of Bharat Forge Limited ("BFL"), the holding company of the Company.
- b. The Company will consistently explore and undertake CSR Projects or programs relating to the activities in any of the fields enumerated in Schedule VII of the Act with a preference to carry on such activities within the local area(s) around it, wherever it operates. Additionally, the Company may also undertake CSR Projects or programs for activities notified as CSR by the Ministry of Corporate Affairs (MCA) through its notifications, circulars and clarifications from time to time.
- c. The CSR Team shall, at all times, consult the CSR Head of BFL while identifying the CSR initiatives of the Company. This collective effort will aid in creating a bigger and better impact on the society.
- d. The time period / duration over which a particular programs / projects shall be spread over, shall depend on its nature, extent of coverage and the intended impact of the program / project.
- e. Following activities will not be considered as CSR projects / programs:
  - i. CSR projects / programs that benefit only the employees of the company and their families.
  - ii. Contribution of any amount directly or indirectly to any political party under the provisions of the Act.
  - iii. Activities undertaken in pursuance of normal course of business of a Company.
  - iv. Activities to be excluded as notified by MCA through its notifications, circulars and clarifications from time to time.
- f. Company may also collaborate with other companies for undertaking projects or programs or CSR projects / programs in such a manner that the CSR Committees of respective companies

are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended).

## **II. IMPLEMENTATION OF CSR PROJECTS / PROGRAMS / ORGANISATIONAL MECHANISM AND RESPONSIBILITY:**

- a. Project activities identified under CSR are to be implemented either by CSR Team or any other authorized personnel of the Company or through a registered trust or a registered society with established track records in the respective domains or a company established by the Company or its holding or subsidiary or associate company under section 8 of the Act or otherwise or by specialized agencies nominated by CSR Committee from time to time.
- b. Specialized agencies and personnel authorized in this regard could be made to work singly or in tandem with other agencies. The Company shall specify the project to be undertaken by such entity and modalities of utilization of funds for such projects with implementation schedules, monitoring and reporting mechanism.
- c. The Company shall ensure that all the CSR projects / programs are implemented as per the approved annual action plan authorised by the Board on the recommendation of the CSR Committee.

The organizational mechanism for CSR shall be as follows:

### **a. Management**

- i. CSR programs / projects as may be identified by the CSR Team in consultation with the CSR Head of BFL within the framework of CSR areas shall be required to be put-up to the CSR Committee at the beginning of each financial year.

### **b. CSR Team**

- i. The CSR Team shall work under the guidance of the CSR Committee and CSR Head of BFL. The CSR Team shall undertake and periodically report a progress report of all ongoing projects for review / information of the Board through the CSR committee.
- ii. The Team shall be responsible for the implementation of the CSR projects as per the annual action plan approved by the Board. It shall bring to the notice of the CSR Committee, any deviation from the approved annual action plan with reasons thereof.
- iii. The team shall, from time to time and in consultation with the related project head, finalize periodic milestones for project-based CSR projects / programs for monitoring of the projects efficiently.

- iv. The committee shall follow the below process for undertaking / funding CSR projects / programs / projects through Implementing Agency / NGOs:
- Conduct due diligence before partnering with any implementing agency / NGO for CSR projects / programs.
  - Execution of Memorandum of Understanding (MoU) with the Partnering NGOs, which will detail the key roles and responsibilities of each of the parties for the projects having value more than Rs. 5.00 lakhs.
  - Scheduling of disbursements of funds relating to the program and monitoring system in accordance with pre-agreed milestones with partners.

**c. CSR Committee**

- i. The CSR Committee shall consist of at least two (2) directors of the Company. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the applicable law.
- ii. The CSR committee shall monitor the work of CSR team on a continuous basis.
- iii. Every year, the CSR Committee will, on the basis of programs / projects put-up by the CSR Team, formulate and place before the Board a CSR annual action plan detailing the CSR Programs / projects to be carried out during the financial year, including the budgets thereof.
- iv. The CSR Committee shall appoint person/(s) i.e. project heads, who shall be responsible for ensuring the compliance in their area of responsibility in terms of related CSR projects / programs in the CSR team. It shall also make an effort to involve all the stakeholders of the business i.e. employees, customers, surrounding community, suppliers, local governance in the implementation of CSR projects.
- v. The Committee's prime responsibility shall be to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of CSR Policy. The terms of reference of the committee are as follows:
- To formulate and recommend to the Board, a CSR Policy in terms of Schedule VII of the Act including a statement containing the approach and direction given by the Board, guiding principles for selection, implementation and monitoring of CSR projects / programs, as well as, formulation of the annual action plan;
  - To recommend to the Board, the annual action plan in accordance with the applicable laws;
  - To recommend the amount of expenditure to be incurred on the CSR projects / programs, list of projects to be undertaken within the purview of Schedule VII to the Act,
  - To monitor the progress of the annual action plan and the multi-year programs, their manner of execution, modalities of fund utilization, project implementation

schedules, reporting mechanism along with details of need and impact assessment for projects as required, etc.

- To monitor the CSR Policy of the Company from time to time;
- To act in terms of any consequent statutory modification(s)/ amendment(s)/ revision(s) to any of the applicable provisions to the said Committee;

- vi. The CSR expenditure made shall be reviewed on the basis of annual action plan and a report thereon shall be placed before the Board indicating status of implementation of the approved CSR programs / projects for the purpose of monitoring.

**d. Board of Directors**

- i. The Board will consider and approve the CSR annual action plan recommended by the CSR Committee with such modification that may be deemed necessary. The CSR annual action plan may also be modified by the Board during the financial year, on the recommendation of the CSR Committee.
- ii. The Board shall endeavor to spend in every financial year, 2 (two) per cent of average net profits of the Company made during the 3 (three) immediately preceding financial years in pursuance of this policy, as per the related provisions under the Act and Rules thereunder. CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activity areas mentioned in this policy.
- iii. The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company.
- iv. The Board shall satisfy itself that the funds disbursed have been utilised for the purposes and in the manner as approved by it and the CFO or the person responsible for financial management shall provide a certificate which shall be placed before the Board.
- v. For meeting the requirements arising out of immediate & urgent situations with regard to formulated CSR projects / programs, the Board is authorised to approve such proposals in terms of the empowerment accorded by the CSR Committee.
- vi. Compliance with this policy including following of implementation schedules for such CSR projects / programs shall be periodically monitored by CSR Committee, subject to the review by the Board of Directors from time-to-time.

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