

CORPORATE SOCIAL RESPONSIBILITY POLICY OF AUTOVIKAS SALES & SERVICE PRIVATE LIMITED

PREAMBLE:

Autovikas has always recognised its commitment towards society and public at large. The Company has long been involved in the activities of social welfare and betterment as one of the essential elements of Company's philosophy towards Corporate Social Responsibility ("CSR"). We believe that it is necessary to operate in an economically, socially and environmentally sustainable manner for reaping the benefits of overall growth and development of our Country. CSR extends beyond philanthropic activities and reaches out to the integration of social and business goals.

1. PURPOSE

The key purpose of this policy is to

- 1.1 Define the scope of CSR activities and kinds of projects that will come under the ambit of CSR;
- 1.2 Provide a mechanism to regulate and monitor the CSR activities undertaken by the Company; and
- 1.3 Guidance towards implementation of CSR activities.

2. CSR COMMITTEE, THEIR ROLES AND RESPONSIBILITIES:

2.1 Composition of CSR Committee

- 2.1.1 Keeping in view with section 135 of the Companies Act, 2013 ("the Act") and related rules made thereunder, the Board of Directors of the Company is empowered to form a CSR committee to perform such functions and duties as specified hereunder in relation to CSR activities to be undertaken by the Company. CSR committee shall comprise of atleast two Directors of the Company who will be nominated by the Board of Directors as and when required.

2.2 Roles and responsibilities of CSR Committee

- 2.2.1 The CSR committee shall, inter-alia, carry out the following functions:

- 2.2.1.1 Formulate and recommend to the Board, a CSR Policy which shall indicate the CSR projects and activities to be undertaken by the Company as per Clause 3 hereinbelow;
- 2.2.1.2 Identify the CSR projects and activities that are in line with the CSR Policy;
- 2.2.1.3 Select the mode of implementation of CSR projects and activities in line with CSR Policy;
- 2.2.1.4 Prepare and approve an action plan on annual basis detailing the amount of expenditure to be incurred on the CSR projects and activities as a whole and its allocation towards each project and activity, manner of execution of such projects, utilisation of funds, monitoring and reporting mechanism for such projects and details of need and impact assessment, if any, for the projects undertaken by the Company;
- 2.2.1.5 Recommend the above annual action plan to the Board for its approval and implementation;

2.2.1.6 Monitor the CSR Policy from time to time in accordance with annual action plan;

2.2.2 The Committee shall from time to time explore the ways and means whereby improvements that need to be brought about towards the discharge of CSR by the Company are identified and steps taken to ensure that measures necessary to effectuate the areas of improvement so identified are taken in the right earnest.

2.2.3 The CSR Committee may not be required to be formed where the amount to be spent by the Company does not exceed INR 5 million and the functions of such CSR Committee shall be discharged by the Board as and when required.

3. SCOPE OF CSR ACTIVITIES:

The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, can undertake any of the following activities in India, as part of its CSR initiatives, which are defined in Schedule VII of the Companies Act 2013;

- 3.1 Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- 3.2 Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- 3.3 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;
- 3.4 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- 3.5 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- 3.6 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;
- 3.7 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;
- 3.8 Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- 3.9 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;

- 3.10 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 Organisation (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);
- 3.11 Rural development projects;
- 3.12 Slum area development;
- 3.13 disaster management, including relief, rehabilitation and reconstruction activities; and
- 3.14 Such other matters as may be prescribed or included by the Central Government from time to time.

The CSR projects and programs or activities that are not included in the definition of CSR as defined under the Companies (Corporate Social Responsibility Policy) Rules, 2014 shall not be considered as CSR activity.

4. MODALITIES OF IMPLEMENTATION OF CSR ACTIVITIES:

- 4.1 CSR activities should be undertaken in project/program mode. One-off events such as marathon / awards / charitable contribution / advertisement / sponsorship of TV programs etc. would not be qualified as a part of CSR activities.
- 4.2 In line with the applicable provisions of the Act, the Company may undertake the CSR projects and activities through following modes:
 - 4.2.1 Own built up capacities

The Company may build CSR capacities of its own personnel by adequate training of its staff to undertake CSR activities and projects. However, administrative overheads shall not exceed 5% of the total CSR expenditures of the Company in any financial year.
 - 4.2.2 Separate entity which is established for undertaking CSR projects and activities
 - 4.2.2.1 The CSR projects and activities may also be undertaken through a registered public trust or a registered society or a company registered under section 8 of the Act, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), which is established by the Company, either singly or along with any other company.
 - 4.2.3 Collaboration with third party
 - 4.2.3.1 The Company may collaborate with other companies for carrying out CSR activities but should be in position to report its activities separately.
 - 4.2.3.2 Through 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.

- 4.2.3.3 Through any entity established under an Act of Parliament or a State legislature
 - 4.2.3.4 Through a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- 4.3 Every entity covered under clause 4.2.2.1, 4.2.3.2, 4.2.3.3 and 4.2.3.4 shall be registered with Central Government and have a unique CSR Registration Number.

5. MONITORING MECHANISM

- 5.1 CSR Committee shall meet atleast twice in a year to review and monitor the implementation of the policy and decide the way forward.
- 5.2 A Monitoring Officer shall be appointed by the CSR Committee who will provide regular progress report to the Committee on periodical basis as per its requirements in the format attached to this Policy as **Annexure A**.
- 5.3 CSR Committee shall review the progress report submitted by the Monitoring Officer. The review will cover both program and financial review.
- 5.4 Based on its review, CSR Committee shall make a report to the Board on half yearly basis in the format attached to this Policy as **Annexure A** which shall include:
- 5.4.1 Achievement during the last 6 months in terms of coverage compared to the target and reasons for variance.
 - 5.4.2 Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the Board to overcome the shortfalls.
 - 5.4.3 Actual year-to-date spends compared to the budget and reasons for variance.
- 5.5 In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be a mechanism of monthly reporting of progress on each such activities and the amount incurred thereon by such outside agency to the CSR Committee.
- 5.6 Mandatorily documentation of the Company's CSR activities and projects, executing partners and expenditures entailed will be undertaken on regular basis.
- 5.7 The Board shall satisfy itself that the funds so disbursed for CSR activities and projects 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.

6. CSR CONTRIBUTION / EXPENDITURES:

- 6.1 The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

- 6.2 The contribution by the Company in any financial year towards CSR activities shall be a minimum of 2% of its average Net Profits for three immediately preceding financial years. The total budget for the CSR projects will be decided by the CSR committee.
- 6.3 Any surplus generated from CSR projects undertaken by the Company will be tracked and channelized into CSR corpus of the Company. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.
- 6.4 If there is any loss during any financial year, it is not mandatory to spend any amount on CSR activities and projects next year.
- 6.5 If the Company fails to spend required amount of CSR, the Board shall, in its report made under clause 7, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
- 6.6 Any amount remaining unspent, pursuant to any ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

7. CSR REPORTING & DISCLOSURE:

- 7.1 The Board of Directors of the Company shall prepare a report on CSR on an annual basis detailing the particulars specified under the Act based on the reporting of CSR committee on the CSR activities undertaken during a financial year.
- 7.2 The contents of CSR Policy shall also be displayed on the Company's website, if any, as per the particulars specified under the Act.

8. ADMINISTRATION AND REVIEW OF THE POLICY:

- 8.1 The Chairman of the Committee shall be responsible for the administration, interpretation, application and review of this policy. The Chairman of the Committee also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Committee after obtaining necessary approval of the Board.
- 8.2 All CSR activities and expenses made thereon will be subject to audit by Company's auditors.
- 8.3 Any term or aspect not specifically defined or set out in this Policy shall be construed to mean what is laid down in respect thereof under the Act.
- 8.4 Any or all provisions of CSR Policy would be subject to revision/amendment by the Board of Directors based on the recommendation of the CSR Committee or else in accordance with the applicable laws.