

JBM AUTO LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

I. PREAMBLE

The Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for the welfare & sustainable development of the community at large.

The core purpose of CSR is the continuing commitment by business to ethical principles, protection of human rights, care for the environment while improving the quality of life of all stakeholders including the local community and society at large.

The Company believes that all the stakeholders must be benefited, whether it is employee welfare or involvement of the employees in fulfilling the needs of the society. It firmly believes in sharing its prosperity with the society in which it operates. Jay Bharat Maruti Ltd., being a responsible corporate citizen, has always believed in going beyond mere compliance with the laws of the land. Thus, the objective of the CSR Policy of the Company is not just to meet the legal requirements, but to have a profound positive social impact. The CSR policy of the Company is an effort to uphold the interest of various stakeholders, along with the community and the environment as a whole.

II. OBJECTIVE

The main objective of the CSR Policy is to lay down the guidelines for CSR activities of the Company. JBM Auto Limited aims to create economic value and to actively contribute towards the development of a sustainable society by taking up projects for the common good through responsible business practices and good governance. The Policy is formulated in compliance of the requirements of the Companies Act, 2013 and the Rules made there under.

III. CSR ACTIVITIES

The Company may undertake any of the following activities or such other activities as may be notified by the government from time to time:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare 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;

- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and 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 centres 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- 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 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;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects;
- xi. Slum area development;
- xii. Any other activities in relation to above and all other activities which forms part of CSR as per Schedule VII of the Companies Act, 2013 as amended from time to time.

The CSR activities shall be undertaken in India for the benefit of general public. Provided that preference shall be given to the local area and areas, where the Company operates, for undertaking the CSR activities.

IV. CSR RESOURCES

CSR Corpus of the Company shall include the following:-

- i. 2% of average net profits of the Company (as stipulated under the Companies Act, 2013) made during the preceding three financial years.
- ii. Any surplus arising out of CSR activities, if any.

The Company may spend upto 5% of total CSR expenditure in one particular financial year on building CSR capabilities of the Company's personnel as well as their implementing agencies, having track records of at least 3 years.

V. IMPLEMENTATION AND MONITORING

The Company's CSR programmes will be identified and implemented according to this policy.

- i. CSR Committee of the Board has been constituted as per requirements of the Companies Act, 2013 and the Rules made there under.
- ii. CSR Committee may nominate a CSR Team comprising senior officials to assist CSR Committee in discharging its functions.
- iii. The Board of Directors, CSR Committee, CSR Team or employee of the Company can identify and propose CSR Projects.
- iv. Any proposal for CSR activity/project shall first be vetted by the CSR Team, to confirm whether it meets the criteria of this Policy, any guidelines prescribed by the CSR Committee and all the conditions prescribed under the Companies Act, 2013 (including all Rules, Circulars, Notifications issued there under).
- v. The CSR team shall provide information and support to the CSR Committee for this purpose.
- vi. Employee participation in CSR Project shall be encouraged and supported through various initiatives from time to time.
- vii. The Project activities identified under CSR shall to be implemented either by personnel of the Company or through a registered trust or a registered society or associate Company as defined under Section 2(6) of the Companies Act, 2013 or by specialized agencies nominated by CSR Committee from time to time. Such specialized agencies would include the Companies defined under Section 8 of the Companies Act, 2013, Voluntary Organizations, NGO's Self Help Groups, Mahila Mandals, Professional

Consultancy Organization, etc. However, the following minimum criteria will be ensured while selecting such NGO's/voluntary organizations for programme execution:

- (a) The NGO is a registered Society/ Public Charitable Trust.
 - (b) The NGO has a permanent office/address in India.
 - (c) The NGO has a valid Income Tax Exemption Certificate.
 - (d) The NGO has an established track record of at least three years in carrying out the activities in the related areas.
- viii. The Company may also collaborate with its Group Companies/Associate Companies or other Companies for undertaking projects or programmes or CSR activities in such manner as the CSR Committee of respective Companies are in a position to report separately on such projects or programs in accordance with the Companies (Corporate Social Responsibility Policy) Rule, 2014. The Company may decide to conduct its CSR programs through trusts, societies, NGO's, or companies incorporated under section 8 of the Companies Act, 2013.

The Company may give donation/contribution to Neel Foundation, a trust which has a track record of around 12 years in undertaking Social welfare programs, for implementing its CSR activities and enter into a service level agreement with the Foundation.

The CSR Committee will monitor the projects at such intervals as may be required. The Committee will receive in a prescribed format, a quarterly report on CSR spend. The funds shall be released against verifiable utilization as per the approved work plans. This may include field visits, comprehensive documentation and interaction with beneficiary communities.

Salaries paid by the Company to regular CSR Staff as well as to volunteers (in proportion to Company's time/ hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.

VI. EXCLUSIONS

- i. The CSR activities shall be undertaken by the Company either new or ongoing, excluding the activities undertaken in pursuance of its normal course of business.
- ii. Any payment made directly or indirectly to the political party(ies) will not form part of CSR activities/ expenditure.

- iii. The CSR projects or programs or activities that benefit exclusively for the employees of the Company and their families shall not be considered as CSR activities in accordance with this policy.
- iv. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

VII. REPORTING

- i. The Board's Report shall disclose the Composition of CSR Committee in the Annual Report.
- ii. The Board's Report of the Company pertaining to the financial year commencing on or after 1st April, 2014 shall include an annual report on CSR containing particulars specified in **Annexure – I**.
- iii. The CSR Policy shall be disclosed on the website of the Company.
- iv. If the Company fails to spend or does not spend such amount, the Board shall, in its report specify the reasons for not spending the amount.
- v. CSR initiatives of the Company shall be reported in the Annual Report of the Company in the manner prescribed under the Companies Act, 2013 and the Rules made there under.

VIII. GENERAL

- i. In case of any doubt with regard to any provision of the policy and also in respect of the matters not covered herein, a reference to be made to the CSR Committee. In all such matters, the interpretation & decision of the Chairman of the Committee shall be final.
- ii. Any or all the provisions of CSR Policy would be subject to revision/ amendment in consultation with CSR Committee and in accordance with the guidelines on the subject as may be issued by the Government from time to time.

IX. AMENDMENT

The Company or the Board reserves its right to modify, cancel, add or amend this Policy in whole or in part, at any time without assigning any reason whatsoever. However, this policy, in whole or in part shall stand modified/amended from time to time, without any further act on the part of the Company, as and when there would be any statutory modification(s)/ amendment(s)/ revisions(s) made to the applicable provisions of the Companies Act, 2013 or the Rules made there under.

ANNEXURE - I

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 consisting of:
 - i. Mr. S. K. Arya, Chairman
 - ii. Mr. Nishant Arya, Member
 - iii. Mr. Mahesh Kumar Aggarwal, Member
3. Average net profit of the Company for last three financial years is Rs.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) is Rs.
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:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. 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 program wise	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on the project or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agencies
1							

2							
3							
	TOTAL						

6. In case the company has failed to spend the two per cent 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 the CSR objectives and the Policy of the company.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (wherever applicable)**
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** : Applicable for Foreign Companies
