

Corporate Social Responsibility Policy

VGAC

PREAMBLE

The Board of Directors (“the Board”) of the Company has adopted this policy in line with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

VISION

Corporate Social Responsibility (CSR) is fundamentally a philosophy or a vision about the relationship of business and society. The emerging concept of CSR goes beyond charity and requires the Company to act beyond its legal obligations and to integrate social, environmental, and ethical concerns into Company’s business process.

This policy shall apply to all Corporate Social Responsibility (“CSR”) initiatives and activities to be undertaken by the Company. CSR Policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. In some models, a firm's implementation of CSR goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law. It is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders, and all other members of the public sphere who may also be considered stakeholders.

OBJECTIVE

The objective and purpose of this Policy is:

- to provide the framework for selection, allocation, implementation, governance, management and monitoring of CSR initiatives and formulation of the annual action plan; and
- to ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.

2. Effective Date

This policy shall be effective from the beginning of financial year 2023-24

3. Definitions

- “Act” means the Companies Act, 2013.
- “Board of Directors” or “Board” means the collective body of the directors of the company.
- “Company” means “Vee Gee Auto Components Private Limited (name of the company)”

(iv) “Corporate Social Responsibility (CSR)” means as defined in the Act or Rules made thereunder.

(v) “CSR Committee” means Corporate Social Responsibility Committee constituted by the Board of Directors of the company.

(vi) “CSR Policy” means CSR Policy of Vee Gee Auto Components Private Limited

(vii) “CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

(viii) “CSR Activities” means such programs and projects as may be approved by the Board in line with the Act and Rules made thereunder.

(ix) “Implementing Agency” means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR Policy. Any term used in this policy but not defined here in shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.

(x) “Net Profit” means the net profit of the Company as defined in the Rules

All words and expressions used and not defined herein but defined in the Act and CSR Rules as amended from time to time shall have the meanings respectively assigned to them in those legislation.

4. Functions of Board

a) To formulate and recommend a CSR Policy indicating the activities to be undertaken by the company in areas or subject specified in Schedule VII to the Act; b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); c) To formulate and recommend an annual action plan in pursuance of CSR Policy covering the following aspects: (i) the list of approved CSR projects or programs to be undertaken in areas or subjects specified in Schedule VII to the Act; (ii) the manner of execution of such projects or programs as specified in rule 4(1) of CSR Rules; (iii) the modalities of utilisation of funds and implementation schedules for the projects or programs; (iv) monitoring and reporting mechanism for the projects or programs; and (v) details of need and impact assessment, if any, for the projects undertaken by the company; d) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect. e) To monitor the CSR Policy as approved by the Board from time to time. The Board should recommend the approach and direction of CSR activities to be undertaken by the company and also provide Guiding principles for (i) Selection of CSR projects / programmes / activities (ii) Implementation of CSR projects / programmes / activities (iii) Monitoring of CSR projects / programmes / activities (iv) Formulation of the annual action plan

5. CSR Activities

Company shall undertake CSR activities for development of the society and the environment, particularly in the vicinity of the areas where the facilities of the company are located. A. The company shall undertake such activities which are broadly related to any of the following:

- i) 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.

- ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the 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 art and handicrafts.
- vi) 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 widow;
- vii) (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports
- viii) (viii) Contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix) (a) 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; and
(b) 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 Organization (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)
- (x). Rural development projects
- xi). Slum area development.

Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) Disaster management, including relief, rehabilitation, and reconstruction activities.

(xiii) Activities as specified in Schedule VII of Companies Act 2013 and amend time to time.

6. Annual Action Plan

The Board shall formulate, an annual action plan which shall include the following:

- (a) the list of CSR projects or programmes that are approved and to be undertaken by the company
- (b) the manner of execution of such projects or programmes
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

The Board of Directors are empowered to alter the annual action plan during the financial year, based on the reasonable justification for such change.

7. CSR Spending

The company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- a. Minimum 2% of its average net profits made during the three immediately preceding financial years
- b. Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities.

All the expenditure relating to CSR shall be pre-approved by the Board. The CFO/Finance Head shall monitor the utilization of funds for the purposes set forth and certify to this effect. Unspent CSR amount, if any, shall be transferred to separate account in accordance with the applicable CSR Rules from time to time.

8. Mode of implementation

CSR programs, projects or activities of the company should be implemented through following methods: i. Directly by the company; ii. Implementing Agencies; iii. Any foundation or body incorporated by the company and eligible to undertake such CSR projects. iv. in collaboration with other organizations/group companies While the company can engage suitable Implementing Agencies to undertake approved CSR projects. The company can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, Municipality to directly undertake approved CSR projects with the help and support of these bodies.

9. Need and Impact Assessment

CSR activities undertaken should be in the interest of the society and the local population where the company operates. Before undertaking any project or activities the company shall conduct need assessment for the project and its utility in the demography where project is proposed.

10. Capital Assets

Capital asset acquired or created by CSR projects should be held by the beneficiaries of the said CSR project or a trust or a public authority for the benefits of all. The company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed off without prior permission of the company.

11. Information dissemination

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access. The CSR programs undertaken by the Company may be disseminated through Company's website, Annual Reports and other appropriate mode.

12. Review

The Board shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The Board shall provide recommendations as and when it deems necessary to amend/ modify/ revise the CSR Policy.