

UNIVERSAL AUTOFOUNDRY LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

➤ **Company Profile**

Universal Autofoundry Limited ('UAF' or 'the company') is engaged in the manufacturing of Iron Castings. We manufacture castings components in Grey Iron and S.G. (Ductile) Iron, primarily for automotive sector. Castings are supplied in Machined, Semi Machined and as cast condition with surface treatment as per customer's need. We cater to the requirements of many of the major automotive and engineering goods manufacturers in India and all over the world.

"UAF's vision is to pursue and consolidate our position of leadership through passion, innovation and teamwork." UAF believes that along with the sustained economic performance, environmental and social awareness and oversight is also a key factor for overall business growth. And with the applicability of CSR Provisions, we aim to fulfil the CSR activities not only as an obligation but with the sense of duty.

Being conscious that there is always scope for improvement the Board of Directors has constituted the Corporate Social Responsibility Committee ('CSRC') and formulated this Corporate Social Responsibility Policy ('CSR Policy') in pursuance with Section 135 of the Companies Act 2013 on CSR and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and to be implemented and monitored by the CSRC under overall supervision of the Board of Directors ('Board') of the Company.

➤ **Definitions:**

THESE DEFINITIONS HAVE BEEN GIVEN UNDER THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014.

Section 2(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014.(*)

(a) *Act: means the Companies Act, 2013;*

(c) *CSR: means and includes but is not limited to: -*

(i) *Projects or Programs relating to activities specified in Schedule VII to the Act; or*

" Projects or Programs relating to activities undertaken by the Board of Directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act."

(d) *CSR Committee: means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act;*

(e) *CSR Policy: relates to the activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company;*

(f) *Net Profit: means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely*

(i) *Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and*

(ii) *Any dividend received from other companies in India, which are covered under and complying with provisions of Section 135 of the Act;*

➤ **CSR Philosophy**

A responsible corporate citizen makes a positive contribution towards betterment of society in areas and communities in which it operates. The Company's progress and prosperity is linked to

the social conscience of the populace which, in turn, is dependent upon the economic and educational development of all stakeholders cutting across strata and irrespective of caste or creed. The aim of the CSR Policy is to augment and foster the social conscience and to contribute positively to social and economic development at large and to jointly work towards making a meaningful difference to the society.

➤ **CSR Activities**

- (1) The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- (2) The Board of a company may decide to undertake its CSR activities approved by the CSR committee, through
 - (a) a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or along with any other company, or
 - (b) 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 or any entity established under an Act of Parliament or a State legislature

Provided that- if, the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism”.

- (3) A company may also collaborate with other companies for undertaking projects or programs or CSR activities 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 these rules.
- (4) Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure
- (5) CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
- (6) Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure (including expenditure on administrative overheads) shall not exceed five percent. of total CSR expenditure of the company in one financial year.
- (7) Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

ACTIVITIES RELATING TO CSR AS PER ACT ENFORCED (SCHEDULE VII OF THE ACT)

- (i) **Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation (including contribution to the Swaach 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 arts and handicrafts;
 - (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
 - (vii) training to promote rural sports, nationally recognised 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;
- [Explanation: For the purpose of this item, the term "slum area" shall mean any area declared as such by the Central government or any State Government or any competent authority under any law for the time being in force.]

➤ **Governance**

1. The CSRC will prepare the annual CSR Plan which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act, 2013 and budget for approval of the Board subject to such modifications as the Board may consider appropriate.
2. CSRC will also review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company.
3. CSRC will also be entrusted with the responsibility of monitoring CSR Policy of the company from time to time.
4. CSRC committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.
5. The CSRC will have ownership of implementation of the CSR Plan as approved by the Board and will identify persons (including external implementing agencies or institutions) who may usefully partner in the implementation of the annual Plan. Where any partner is involved the CSRC will monitor such partner's performance.
6. Once in each quarter the CSRC will report to the Board on the progress of execution of the Annual Plan.
7. At the end of every financial year the CSRC will submit its annual report to the Board.
8. The Board shall have power to issue appropriate directions to the CSRC from time to time.

➤ **Composition of CSRC**

The CSRC shall comprise of three (3) or more directors of whom at least one (1) will be an Independent Director.

➤ **CSR Budget and Expenditure**

1. The Board of every company shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR Policy
2. CSR expenditure will include all expenditure, direct and indirect, incurred by the Company in accordance with the Annual Plan. Any surplus arising from any activity within the Annual Plan shall be used for CSR. And the surplus arising out of the CSR projects or programs or activities

shall not form part of the business profit of company.

3. The Board shall budget for CSR expenses in accordance with the Annual Plan proposed by the CSRC and approved by the Board each financial year. The annual expenditure on CSR shall not be less than the statutory minimum from time to time prescribed.
4. Contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR activity
5. Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent. of total CSR expenditure of the company in one financial year.
6. CSR expenditure shall include all expenditure including contribution to corpus, the projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

➤ **Procedure**

1. The CSRC shall have power to regulate its own procedure.
2. However, the CSRC shall comply with all directions as may be issued by the Board.
3. The CSRC shall maintain minutes of meetings.
4. The Board shall make available to the CSRC such manpower and office infrastructure as the CSRC may reasonably require.

➤ **Review of CSR policy**

The Board shall have power from time to time to review and amend the CSR Policy as the Board may consider appropriate.

➤ **Adoption of CSR Policy**

This policy has been adopted by the Board of Directors at its meeting held on July 29, 2018.

➤ **Display of CSR Policy on its website**

The Board of Directors of the company shall after considering the recommendation of CSRC, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on company's website, if any, as per the particulars specified in the Annexure.

➤ **CSR Reporting**

The Board's Report of a company covered under these rules pertaining to a financial year, shall include an annual report on CSR particulars.