



**BHARAT FORGE LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

## BHARAT FORGE LIMITED

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## 1. PHILOSOPHY AND OBJECTIVE:

At Bharat Forge, 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, Swacch 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

At Bharat Forge, we are committed to work in 100 villages from Maharashtra on 5 major indicators - water harvesting, livelihood, health, education and internal roads. We are also committed to address issues pertaining to but not limited to women empowerment and environmental sustainability, health & hygiene cleanliness, skill education and promote nationally recognized sports, etc.

CSR programs undertaken also provide opportunities for our employees, our customers, suppliers and partners to contribute to these efforts through volunteering.

## 3. SCOPE AND APPLICABILITY

This policy is applicable across Bharat Forge 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:**

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 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.
- b. 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.
- c. 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 Companies Act, 2013.
  - iii. Activities undertaken in pursuance of normal course of business of a Company.
  - iv. Activities to be excluded as notified by the MCA through its notifications, circulars and clarifications from time to time.
- d. A 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 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 Companies Act, 2013 or otherwise or by specialized agencies nominated by CSR Committee from time to time.

- b. Specialised 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.

The organizational mechanism for CSR shall be as follows-

**i. Management**

- a. CSR programs/projects as may be identified by the Management within the framework of CSR areas shall be required to be put-up to the CSR Committee at the beginning of each financial year.

**ii. CSR Team**

- a. The CSR Team shall work under the guidance of the CSR head. 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.
- b. 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.
- c. 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.
- d. The committee shall follow the following process for undertaking/funding CSR projects/programs/projects through Implementing Agency/NGOs:
  - 1. Conduct due diligence before partnering with any implementing agency/NGO for CSR projects/programs.
  - 2. 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.
  - 3. Scheduling of disbursements of funds relating to the program and monitoring system in accordance with pre-agreed milestones with partners.

**iii. CSR Committee**

- a. The CSR Committee shall consist of at least three 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

provisions of the applicable law. The CSR committee shall monitor the work of CSR team on a continuous basis.

- b. Every year, the CSR Committee will, on the basis of programs/projects put-up by the Management, 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.
- c. 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.
- d. 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-
  - 1. 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;
  - 2. To recommend to the Board, the Annual Action Plan in accordance with the applicable laws;
  - 3. 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,
  - 4. 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.;
  - 5. To monitor the CSR Policy of the Company from time to time;
  - 6. To act in terms of any consequent statutory modification(s)/ amendment(s)/ revision(s) to any of the applicable provisions to the said Committee;
- e. The CSR expenditure made shall be reviewed based 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.

**iv. Board of Directors**

- a. 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.

- b. 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 CSR activity areas mentioned in this policy.
- c. 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.
- d. 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.
- e. For meeting the requirements arising out of immediate & urgent situations with regard to formulated CSR projects/programs, the Chairman and Managing Director is authorised to approve such proposals in terms of the empowerment accorded to him by the CSR Committee.
- f. 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.

### **III. MONITORING, IMPACT ASSESMENT AND RECORD MAINTAINENCE:**

- a. The CSR projects/programs undertaken directly by the Company shall be monitored by the CSR team and those undertaken through Implementing Agencies shall be monitored by the designated person of the Implementing Agency, if any and/or the CSR team on a continuous basis. The CSR team may obtain periodic progress report from the Implementing Agencies.
- b. An Impact assessment shall be undertaken if the average CSR obligation in pursuance of subsection (5) of section 135 of the Act in the three immediately preceding financial years is ten crore rupees or more. The assessment shall be undertaken for CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study, through an independent agency.
- c. Appropriate documentation of the CSR Policy, annual CSR projects/programs, executing partners, and expenditure entailed shall be undertaken on a regular basis.
- d. The contents of the Policy and Annual Report on CSR projects/programs to be included in the Board Report and shall also be placed on the Company's website – [www.bharatforge.com](http://www.bharatforge.com) as per the particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## 6. GENERAL

- a) In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the inputs and the final decision/determination/ interpretation shall rest with the Chairman and Managing Director of the Company.
- b) Any or all provisions of the 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.
- c) The Company reserves its right to modify, cancel, add, or amend any of these Rules. 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) / revision(s) to the applicable provisions thereto.

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S. No.	Names of CSR Projects/Programmes	Activity under Schedule VII/ Sector	Ongoing/ One time	Manner of Execution Directly/ through implementing agency	Proposed Budget in Millions (Rs.)	Expected Outcome/ Utilization of funds
1	Environment Projects					
i	Tree Planation, Solar Lamps & Waste Management	(iv) Environment Sustenance	Ongoing	a. Directly: In Satara district & Purandar taluka, Pune district; and b. Through Implementing Agency: NGO partner- Maharashtra Arogya Mandal in Ambegaon taluka, Pune district.	50.00	1 Lakh trees will be planted in the villages and nearby communities and will be sustained. 50 composter planters will be installed in the nearby communities and solar lamps and pumps will also be installed in the villages.
ii	Swachh Sunder Gaon Competition			Directly	1.50	Villagers will be motivated to keep their villages clean and beautiful by inviting their participation in tree plantation drives and converting barren lands into green land. 24 villages from Satara will be covered.
iii	Pune Cantonment Garden Maintenance			Directly	1.20	Assistance in maintenance of gardens will be provided to the local government in keeping the environment clean and beautiful.
2A	Village Development Project- Working on 5 major indicators water, internal roads, livelihood, health & education					
i	1. Water	(x) rural development	Ongoing	a. Directly: In Satara district & Purandar taluka, Pune district; and b. Through Implementing Agency: NGO partner- Maharashtra Arogya Mandal in Ambegaon taluka, Pune district. c. With implementing partner Deepstambh Charitable Trust in Taluka Bhoom, Dist. - Osmanabad	40.16	Building Bandharas, desilting, construction of water tanks and laying pipelines for water for drinking & agriculture.
ii	2. Internal Roads and solar lamps			a. Directly: In Satara district & at Purandar taluka, Pune district; and b. Through Implementing Agency: NGO Partner- Karjat Jamkhed Integrated Foundation at Karjat Jamkhed & with NGO Partner- Maharashtra Arogya Mandal in Ambegaon taluka, Pune district.		Internal roads will be constructed for market accessibility to the farmers and useful for the mobility of the villagers in the rainy season.
iii	3. Livelihood			a. Directly: In Satara district & Purandar taluka, Pune district; and b. Through Implementing Agency: NGO partner- Maharashtra Arogya Mandal in Ambegaon taluka, Pune district.		Processing units will be set, land levelling, organic farming . Training to framers with the new agriculture techniques and technology with Agriculture development Trust Baramati. Setting up of Centre of Excellence Lab for training in the area of Artificial Intelligence, Machine Learning , IOT with special focus on skill training to girl students for women empowerment

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iv	4. Health - Under health, below are the initiatives					
a	a) COVID 19 Initiatives for Prevention & Cure in villages	(i) Health	Ongoing	Directly	0.50	Strengthening of Primary Health Care Centres and provision of medical equipments, apparatus, medicines and ambulances to the villages to deal with the spread of pandemic. Setting up of Isolation wards for each village. 24 villages from Satara to be covered.
b	b) Telemedicine			Through Implementing Agency: NGO- Doorstep Health Services Pvt. Ltd.	8.00	Availability of medical centres shall be ensured for the villages where accessibility to primary health cares centres and sub centres is difficult.
c	c) Cancer screening camps			Through Implementing Agency: NGO- Samvedana (Pune Neurosciences Trust and Research Society)	1.50	Arrangement for timely detection of cancer and other diseases and to guide women from villages for the right nutrition, diet, health & hygiene.
v	5. Education - Infrastructure Development & Mission Sanitation of Schools (ZP & Govt.)	(ii) Education		Directly	1.00	Clean toilets will be constructed to provide clean environment to students and improving the attendance of girl students. Old Zillah Parishad schools will be assisted in reconstruction/ repair for the safety of children and develop a clean and pleasant environment.
2B	One time Rural development & other initiative	(x) rural development & other area	One time	Through Implementing Agency: NGO	7.59	
3	Pratham Pune	(ii) Education	Ongoing	Through Implementing Agency: NGO- Pratham Pune Education Foundation	7.00	a) To help 10000 children from deprived communities to keep up their contact with the education through different online/offline methods. b) To help above average children from slum areas to develop their extra curricular activities. c) Meaningful engagement of the children of labourers whose parents go to work in the morning till evening. d) Supporting girls students for higher education & soft skills development of engineering students.
4	Pradyna Vikas			Through Implementing Agency: NGO- Jnana Prabodhini	1.55	
5	Anubhav Shala Khelghar				1.30	
6	Educational Sponsorship - Vidyarthi Sahayak Samiti, Blind School & Finishing School		One time	Through Implementing Agency: NGOs- Vidyarthi Sahayak Samiti, Jagriti Blind School & CII	5.00	
7	Educational Initiative one time project support to Manobal Project of Deepstambh Foundation			Through Implementing Agency: NGO -Deepstambh Foundation	3.00	School building construction for physically challenged & underprivileged children at Kusumbe village. Tal & Dist. Jalgaon

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8	Education initiative one time - support for School building at Salave village Dist. Satara	(ii) Education	One time	Directly	3.70	School building construction for underprivileged children at Salave Village, Dist. Satara
9	Education initiative one time project - Support to girl education on India Business School			Directly	1.00	with connecting partner if necessary
10	Developments of Industrial Training Institute at Khed, Bhor & Malegaon & Karjat	(ii) Skill development	Ongoing	Directly	5.00	We have signed MOU with Govt. of Maharashtra and had setup ITI Khed and started machines trades for the employability of rural youth. For ITI Bhor, Malegaon & Karjat we are Industry partner and imparting training to the rural youth and infrastructure development of ITIs.
11	Centre of Excellence in RF & Microwave Technology			Directly	2.50	Imparting specialised skills to the engineering students in the area of Radio Frequency and Microwave thereby promoting their employability.
12	Community Development & Women Empowerment	(iii) Women Empowerment		Directly	0.80	Vocational training will be imparted to the Self Help Groups and health check-up will be conducted for women from communities. Awareness will also be created regarding health and hygiene.
13	Lakshya	(vii) Promotion of sports		Through Implementing Agency: NGO- Lakshya Foundation	2.70	5 promising players will be sponsored for their training and administration.
14	Support to Shivshrushti Project	(v) protection of heritage, art & culture	Ongoing	Through implementing Agency: Maharaja Shivachhatrapati Pratishthan	9.5	to contribute towards building a theme park on the life of Chhatrapati Shree Shivaji Maharaj for promoting heritage and history education
15	CSR ADMIN & IMPACT				6.00	
				<b>TOTAL BUDGET</b>	<b>160.50</b>	

#### B. Implementation schedules for the projects:

All CSR Implementing Agencies shall prepare project specific Annual Action Plans. These plans shall be linked to periodic budgets and shall form part of the formal Memorandum of Understanding (MOU) entered between the Company and the Implementation Agency. Disbursements to each Implementing Agency shall be linked to planned activities and fund utilization.

#### C. Monitoring and Impact Assessment:

The CSR projects will be monitored by the CSR Team and the Impact Assessment \ evaluation of projects having outlays of more than one crore will be undertaken by a third party independent agency.

#### D. General Notes:

- The appointed NGOs are registered under 12A and 80G of the Income Tax Act, 1961 and have CSR registration numbers.
- The estimated administration cost of projects is not included in the total budget.