

# Mahindra CIE Automotive Limited

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## Corporate Social Responsibility (CSR) Policy

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<b>Name of the Document</b>	Corporate Social Responsibility (CSR) Policy
<b>Effective Date</b>	12 <sup>th</sup> December, 2014
<b>Approving Authority</b>	Board of directors
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<b>Version History</b>	Please see Annexure



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## 1. Introduction

Corporate Social Responsibility (CSR) has been an integral part of the way Mahindra CIE Automotive Limited, (MCIE or the Company) has been doing business since inception.

The Company is committed to its social responsibilities and takes initiatives to serve the society as a good corporate citizen.

## 2. Short Title and Applicability

This Corporate Social Responsibility Policy (the Policy) shall apply to all CSR initiatives, activities and programs taken up by MCIE, to provide solutions to the difficulties and needs existing in the communities where it operates.

The Policy inter-alia provides the approach, direction and guiding principles given by the Board of Directors of the Company, taking into account the recommendations of the CSR Committee, for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan.

## 3. Objectives:

The **objective** of this policy is to -

- Promote a unified and strategic approach to CSR
- Encouraging employees to participate in the Company's CSR Activities and give back to society in an organised manner thereby increasing employee satisfaction.

## 4. CSR Focus Area

The Company will focus its CSR activities in the areas of (i) Education and Skill Development (ii) Promotion of Health Care and Sanitation (iii) Environment and (iv) Community Development. **(the Thrust Areas).**

The Company may also make contributions to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund or any other fund set up by the Central Government for socio economic development and relief and welfare which qualifies the criteria as per CSR Rules and the relevant provisions of the Companies Act 2013.

The Company shall continue encouraging its employees to participate in the Employee Social Engagement Program (ESEP), to drive positive change in society, through health checkup camps, blood donation camps, tree plantation, vocational guidance to school children in the nearby schools, to help/support in their further education, providing educational aid like books, school bags, support to Old Age home, Orphanage etc. ESEPs are specifically designed to benefit the economically and socially disadvantaged communities and involve the employees to participate in Company's CSR Activities.

The major CSR Activities undertaken by the Company are listed in Annexure 1.

## 5. Approach & Guiding Principles

All the CSR Activities will be undertaken in India in and around Company's Plants and Offices.

It will not include the activities undertaken in pursuance of normal course of business of the Company, projects benefitting the employees of the Company (as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019) and as amended from time to time), or contributions of any amount directly or indirectly to any political party.

All CSR activities will be in project mode and will not include activities supported on sponsorship basis for deriving marketing benefits for its products or services or activities carried out for fulfilment of any other statutory obligations under any law in force in India.

All the CSR Activities undertaken by the Company, shall be in compliance with the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013, as amended from time to time (hereafter referred as "CSR Law").

## 6. Total Outlay

The Company shall contribute 2% of the average net profits of the Company made during the immediately preceding three financial years towards CSR initiatives. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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.

The surplus arising out of the CSR Activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it shall be spent in pursuance of this CSR policy and Annual Action Plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the Company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the Company towards CSR within a period of 3 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 30 days from the date of completion of the third financial year.

## 7. Implementation

CSR initiatives will be implemented either directly by the Company where its employees will directly implement the CSR projects, or through implementing partners which include a company established under section 8 of the Act, or a registered public trust or a registered society having an established track record of at least 3 years in undertaking similar activities for which the grant is being given. These organizations would need to be registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961). The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 1<sup>st</sup> April 2021.

The Company may engage International Organisations (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014) for designing, monitoring, and evaluation of CSR Projects as well as capacity building of their personnel.

The Company may also collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.

Out of the total CSR Budget, the amounts budgeted for ESEP Activities is managed by the plant level CSR Committees. The CSR Activities under ESEP will include the projects of short-term duration and short-term impact which are carried out around the Factory premises of the Company. 20% of the total CSR budget is managed by Central CSR Council which focuses on projects having mid-term duration with mid-term impact. These Projects shall be in the CSR Thrust Area mentioned herein above. Balance CSR budget is managed by the Corporate Social Responsibility Committee of the Board which will inter-alia include the long- term CSR projects having long term impact.

## 8. Governance and Monitoring process of CSR activities

The Company has a well-defined and robust governance structure to oversee the implementation of the CSR Policy and monitoring of CSR projects as per the requirements of Section 135 of the Companies Act, 2013.

### CSR Committee of the Board

The CSR Committee of the Board shall be responsible for formulating and recommending to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect. The CSR Committee reports to the Company's Board of Directors.

The CSR Annual Action Plan shall include the following: -

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act,
- 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 members of the CSR Committee of the Board are Mr. Narahari Kadambi (the Chairman and Independent Director), Mr. Dhananjay Mungale (the Independent Director), Mr. Anil Haridass (Executive Director) and Mr. Manoj Menon (Executive Director).

### **Central CSR Council**

The Company has set up a Central CSR Council (the Council) which is responsible to implement all the CSR projects as per the CSR Annual Action Plan formulated by the CSR Committee of the Board and approved by the Board. The Council will convene quarterly to monitor CSR projects and will be responsible to report on the progress of the projects, to the Board and CSR Committee, at regular intervals. The Council will carry out impact assessment of completed CSR Projects having a value of INR 10 Million, through an independent agency, at least once in every three years or such shorter period as may be prescribed by Law from time to time.

### **Plant level CSR Committees**

The Plant level CSR Committees are responsible to implement the activities under the Employee Social Engagement Program as per the CSR Annual Action Plan formulated by the Board level CSR Committee and approved by the Board. The Plant level CSR Committees will convene quarterly to monitor ESEP Activities and will be responsible to report on the progress of the projects, to the Council, at regular intervals.

## **9. Amendment and Disclosure**

The Board of Directors of the Company on recommendation of the CSR Committee shall have authority to amend the Policy.

The Chairman of the Central CSR Council will have authority to amend the Annexure I of the Policy in line with the Annual Action Plan and any amendment thereto in accordance with the Policy.

The CSR Policy of the Company shall be uploaded on the Company's website for information of all stakeholders.

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## Annexure 1

### CSR Projects

CSR projects of the MCIE are as follows:

S. No	CSR Project Name	Category under Schedule VII	Name of Implementing Agency	Duration, Project start year & end year	Project Deliverables
1	ESEP- Employee Social Engagement Program	Promoting Healthcare & Sanitation (Clause i), Promoting Education (Clause ii), Rural Development (Clause x), Environmental Sustainability (Clause iv)	Direct	1 year Start : Jan. 2023 End : Dec. 2023	Under this the Company provides a platform to employees, which offers an opportunity to volunteer and engage in social work. These activities are planned and implemented by employees themselves based on the needs of marginalized communities in nearby areas of respective factory locations. In this manner ESEP enables our employees to serve the community and devote valuable time. The thrust area of the activities lies under Education & Skill Development, Environment, Health Care & Sanitation and Rural Development
2	Utkarsh - 3 (Infrastructure Development) in five Schools of Raigarh & Satara	Promoting Education (Clause ii)	Direct through Schoolnet India Ltd.	3 years Start : Oct 2021 End : Sept 2024	The Project aims to provide Infrastructural support and is being implemented in five different schools located in Raigad and Satara districts
3	GEMS (Green Education Movement in School) in one School in Pune	Promoting Education (Clause ii)	Direct through Skill Sonics India Pvt Ltd.	3 years Start : Dec 2020 End : Nov 2023	The Project aims to develop positive and good habits among students in the areas of safety, sustainability & health and to guide students in becoming socially responsible citizens by imparting training of Green Education: Safety, Sustainability and Health. The project is impacting 600 students and is being implemented at Jijamata Secondary School, Bhosari in Pune

4	LOTUS (Learning Opportunity & Training for Upliftment of Special Students) in two Schools in Pune	Promoting Education (Clause ii)	Direct through Bleetech Innovations Pvt. Ltd.	3 years Start : Aug 2020 End : Jul 2023	This project aims to support specially abled students by providing them required training and enhancing the employment opportunity through skill development. The project is being implemented at two locations in Pune District and includes activities such as training in sign languages to deaf students as well as training the teachers and providing platform to 10th passed students to get employment opportunities. The project is impacting 196 deaf students and is being implemented at two locations in Pune
5	Lakshya-CIE India Institute of Skills	Promoting Education (Clause ii)	Social Empowerment and Economic Development Society (SEEDS)	3 years Start : Sep. 2022 End : March 2025	Well-equipped Technical Skills training centre where 260 candidates will be trained and employed in 2022 in CNC Operator Turning, Industrial Welder & Fitter - Hydraulics, Pneumatics and Tool & Die Maker courses. Soft Skills training, Spoken English etc. will also be part of syllabus. Assured Placement of trained Students in relevant Industry
6	Utkarsh - 1 (Infrastructure Development & Life Skills Training) in One School, Udhamsingh Nagar	Promoting Education (Clause ii)	Institute for Monitoring of Pollution, Agricultural Research and Technology Transfer (IMPART)	3 years Start : March 2021 End : Feb 2024	The Project aims to provide Infrastructural support and is being implemented at Late Mehanga Ram Miglani Government Inter College in Udhamsingh Nagar, Uttarakhand
7	Utkarsh - 2 (Infrastructure Development & Life Skills Training) in One School, Pune	Promoting Education (Clause ii)	Shilpi Sansthan	3 years Start : March 2021 End : Feb 2024	The Project aims to provide Infrastructural support to needy schools. This also include training on nonacademic subjects. This project is being implemented at Zila Parishad Primary School - Village Gundalwadi, Pune
8	Santulan	Promoting Health Care and Sanitation (Clause i)	Santulan	3 years Start : July 2020	This project is providing De-addiction, Rehabilitation and Awareness to the drug addicted citizens, who got into this bad habit.



				End : June 2023	Through this program, the efforts are made towards their re-gain in terms of physical, financial and mental aspects. The project is impacting 35 beneficiaries in Pune
9	Utkarsh - 4 Infrastructure development at Shree Girija Shankar High School, Village Rajache Kurle, Satara	Promoting Education (Clause ii), Promoting Heathcare and Sanitation (Clause i)	Direct through Anurag Enterprises	1 year Start : Oct 2022 End : Sep 2023	The Project aims to provide Infrastructural support and is being implemented at Shree Girija Shankar High School, Village Rajache Kurle, District Satara
10	Road construction in Village Urse	Rural Development (Clause x)	Direct through Astron Corp. Pvt. Ltd.	1 year Start : Aug 2022 End : Jul 2023	Under this project, road construction work is being carried out, which connects two villages in Maval Taluka. Daily commuters passing through the villages are getting benefitted and their life have eased at some extent. The project is impacting approximately 500 villagers daily of Village Urse and nearby area in Maval Taluka, District Pune
11	Construction of govt. school at Bengaluru	Promoting Education (Clause ii)	Direct through Vivin Constructions Pvt. Ltd.	3 years Start : 2021 End : 2024	The Company is constructing Govt. higher primary school building to be run by state government to pave the way for increased student enrolment from nearby villages. It will be four storeys building and will be equipped with modern facilities, like smart class rooms, labs, audio visual room, library, reading room, multipurpose hall, principal and staff room, infirmary, lunch room, open sir theatre, large playground, wash rooms, drinking water facility etc. The project will impact to students of surrounding area of Taluk Anekal, Bengaluru district

12	Project Harit Gram : Shapar & Veraval at Rajkot - WASH in 4 schools, Solid waste management and Tree plantation	Promoting Healthcare & Sanitation (Clause i), Rural Development (Clause x), Environmental Sustainability (Clause iv)	Center for Youth Development & Activities (CYDA)	2 years Start : April 2023 End : Mar. 2025	This project is being implemented in Shapar and Veraval Gram Panchayat in Rajkot. It is categorised in three major parts : 1) Two solid waste management units at two location with one plastic recycling unit; 2) WASH (Water, Sanitation & Hygiene) program in 4 schools; 3) Tree plantation and beautification – aiming to plant 1,500 trees with at least 90% survival rate
13	WASH (Water, Sanitation & Hygiene) in fourteen Schools	Promoting Health Care and Sanitation (Clause i)	Center for Youth Development & Activities (CYDA)	2 years Start : April 2023 End : Mar. 2025	The project is being implemented in fourteen govt. schools in Pune district, with the aim to provide training on WASH subjects and to refurbish existing WASH facilities in these schools, so that safe and hygienic atmosphere can be created in schools

## Annexure-2

### Version History

Version	Date of Amendment	Change & Reason for change
Version 1	29 <sup>th</sup> April, 2014	Formulation of the policy pursuant to Section 135 of the Companies act, 2013 & Schedule VII.
Version 2	29 <sup>th</sup> April, 2021	The CSR Policy of the Company was amended in line with the amendments made by the Companies (Amendment) Act, 2019, the Companies (Amendment) Act, 2020 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 by amending definitions viz. meaning of CSR, Ongoing Project, etc. and including a statement containing the approach and direction given by the Board of Directors, taking into account the recommendations of its CSR Committee including Guiding principles for Selection, Implementation, Monitoring of activities and formulation of the Annual Action Plan.
Version 3	22 <sup>nd</sup> February, 2022	The Annexure 1 to the policy was amended in line with the approved annual action plan for the year 2022.
Version 4	14 <sup>th</sup> December, 2022	The Annexure 1 to the policy was amended in line with the approved annual action plan for the year 2023.