



Tata International Vehicle Applications Private Limited

(Formerly known as Tata International DLT Private Limited)



A Century of Trust

INDEX

	<u>Page No.</u>
1. Purpose and Focus areas	- 03
2. Scope	- 03
3. Approach and Delivery	- 03 to 04
4. Coverage	- 04
5. Sunset Clause	- 04
6. Mechanism & Process	- 04
7. Structure	- 04 to 05
8. Scope & role of ICSRT	- 05
9. Governance & Review mechanism	- 05 to 06
10. Annual Action Plan	- 06
11. CSR Implementation	- 06
12. Ongoing CSR Programs	- 07
13. Budget for CSR Expenses	- 07 to 08
14. Planning & Implementation	- 08
15. Broad Procedure for Consideration of Proposals	- 08 to 09
16. Guiding Principles for Selection of CSR initiatives-	09 to 10
17. Implementation	- 10
18. Monitoring, Evaluation & Reporting & MIS	- 10 to 11

ANNEXURES

Annexure I - Schedule-VII of Companies Act

Annexure II - Specific details required for examination of CSR proposals (Format)

Annexure III - Standard Procedure for Documentation of CSR Projects.

Corporate Social Responsibility Policy

Amended & Approved by Board & CSR Committee on 22nd April 2021 – Revision – 04

Further in reference to the original policy approved by Board on 20th Apr-2016, the policy has been amended three times i.e., on 15th January 2018; 9th July 2019 and on 19th May 2020 to make it in line with the Companies (Corporate Social Responsibility Policy) Rules and the provisions of the Companies Act as amended from time to time. On 22nd January 2021, Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 has been published in the Official Gazette of India by the Ministry of Corporate Affairs and this policy has been drafted in line with these amended CSR rules, 2021.

1. Purpose & Focus Areas

Tata International Vehicle Applications Private Limited (TIVA) is aligned to the Tata Group's core purpose of improving the quality of life of the communities it serves through long term stakeholder value creation.

TIVA will focus its CSR initiatives in localities surrounding its business operations especially in Pune, Srinagar, Ajmer and Jamshedpur taking concrete steps in broad areas of:

1. Skill Development & Employability
2. Education
3. Health, Safety & Environment.
4. Women empowerment, facilities for Senior citizen & orphan children.
5. Contribution to the Prime Minister's National Relief Fund or any other fund(s) setup by the Central or State Government.

Further details of the action areas are given in Annexure I.

In addition, the Company will continue to voluntarily participate in environmental issues/national disasters depending upon where they occur and its own ability to respond meaningfully.

2. Scope

This Policy of CSR encompasses Formulation, Implementation, Monitoring, Evaluation, Documentation and Reporting of CSR activities taken up by TIVA anywhere in India.

This Policy is intended to be in conformity with the provisions of Companies Act, 2013.

List of CSR activities specified in Schedule VII of Companies Act 2013 and TIVA's CSR projects are given in Annexure -I.

3. Approach & Delivery

The Company's CSR will revolve around principle relevant to local contexts, Partnerships, Volunteering and social Impact.

The Company's in-house CSR team will implement its CSR strategy through local partnerships viz., credible private and government institutions. Partner agencies will be selected based on well-defined selection criteria.

The Company can also contribute to any registered - Association / NGO / Trust which are involved in the defined CSR activity and approved by Government.

4. Coverage

The geographical coverage of CSR activities would be spread across the Nation. However, preference for CSR spend shall be given to areas where TIVA's manufacturing plants are under operation.

This Policy does not cover activities undertaken in pursuance of TIVA's normal course of business and also activities exclusively for benefit of TIVA's employees or their families which are being undertaken.

5. Sunset Clause

This policy will be subject to review from time to time based on the potential opportunity and location of the activities to be undertaken. During the currency of this policy, in case of any perceived conflict between the CSR Rules 2014 & the policy, due to any amendments to the CSR Rules, the former shall prevail in all circumstances.

6. Mechanism & Process

Towards fulfillment of its commitments for CSR and implementation of its Policy for CSR, mechanism to be adopted is detailed in below-mentioned point 7.

7. Structure

The structure for consideration & approval of CSR initiatives and mechanism for focused & effective implementation of the CSR activities of the Company is described hereunder:

A three-tier structure, comprising of the Board, the CSR Committee (Board level committee) of 3 or more Directors and the Internal CSR Team (ICSRT) comprising Chief Executive Officer, Chief Financial Officer, Company Secretary and Human Resource Head of the Company who shall oversee the CSR agenda of the Company.

All proposals received will be examined by the ICSRT and put up to the CSR Committee. Whenever required the ICSRT may take legal opinion of external advisor while executing any CSR Project.

The CSR Committee shall examine the proposals received along with recommendations from ICSRT & recommend to the Board, the activities to be undertaken by the Company.

The decision regarding taking up CSR activities shall vest with the Board of Directors of TIVA within the ambit of Companies Act 2013 & CSR Rules 2014.

Any activity undertaken by the delegated Authority shall have to be ratified by the Board of Directors.

ICSRT will be responsible for implementing the approved CSR initiatives.

The organizational structure and modalities of functioning of ICSRT shall be detailed in the operational manual of Internal CSR Team.

The CSR Committee shall review the progress of CSR initiatives implemented by ICSRT.

8. Scope & Role of ICSRT

After the CSR activities are recommended by the Board, ICSRT shall be responsible for all aspects of planning & implementation of the CSR initiatives of the Company.

ICSRT shall also be responsible for baseline survey / need assessment to facilitate management decision on the requirement of the proposed initiative and its scope.

ICSRT shall liaise with various stakeholders for proper planning and implementation of CSR initiatives. It shall hire services of Organizations / individuals on contract basis to expedite the process of planning, ensuring convergence with Govt. schemes, implementation, monitoring, evaluation, impact assessment, and shall be responsible for ensuring, stakeholder / community partnership to address the aspect of sustainability of the CSR programs.

ICSRT will also be responsible for putting in place & maintenance of MIS including data w.r.t. physical progress, financials, Output & Outcomes, along with documentary proof, generation of reports and periodic submission of the same to the CSR Committee.

9. Governance and Review Mechanism

The CSR Committee of the Board will govern and review the CSR initiatives of the Company from time to time. The CSR Committee will recommend the Annual Action Plan for CSR to the Board for its approval. The plan will include resource requirements and allocation across interventions and locations. The composition of the CSR committee of the Board is as hereunder:

CSR Committee members as on date are following, subject to changes from time to time with reference to and in line with the changes in the composition of Board of Directors: -

- Mr. Manish Kumar - Chairman
- Mr. Manoj Kumar Jha - Member
- Mr. Anand Sen - Member

* Mr. Arun Kumar Vora has resigned from the CSR Committee w.e.f. 22nd April 2021.

* Mr. Manish Kumar is the Chairman of the CSR Committee w.e.f. 13th October 2021.

* Mr. Anand Sen has joined the CSR Committee w.e.f. 13th October 2021.

10. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board of Directors of the Company, an annual action plan in pursuance of the CSR policy of the Company, which shall include the following namely: -

- a) List of CSR Projects that are to be approved.
- b) Manner of execution of such projects – Need to be defined with each identified project.
- c) Modalities of utilization of funds and implementation schedules for the projects or programs - Need to be prepared for all identified projects before submission for approval.
- d) Monitoring and reporting mechanism for the projects or programs as defined in point no. 17.
- e) Details of need and impact assessment, if any, for the projects to be undertaken by the Company to be prepared as defined in schedule II.

Board of Directors may alter this plan at any time during the financial year, as per the recommendation of CSR Committee, based on the reasonable justification to that effect.

11. CSR Implementation

- (1) The Board shall ensure that the CSR activities are undertaken by the company itself or through -
 - (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), 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
 - (c) any entity established under an Act of Parliament or a State legislature; or
 - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- (2) Every entity, covered under point 11 (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar of Companies, with effect from the 01st day of April 2021.

Therefore, if the Company wish to undertake any CSR activity through any other entity, then a copy of the CSR Registration Number allotment letter must be taken by the Company before doing any association with such entities for any CSR activity.

12. Ongoing CSR Programs

It means a multi-year project undertaken by the Company in fulfilment of its CSR obligations having timelines not exceeding 3 years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multiyear project but whose duration has been extended beyond one year by the Board of directors based on reasonable justification.

Continuance, enhancement of coverage under the programs will be based on need and availability of funds.

All the Ongoing CSR programs shall be monitored / evaluated by the Board of Directors of the Company with approved timelines and year-wise allocation. Based on the evaluation, the CSR Committee shall recommend continuance or otherwise to the Board of Directors who may make modifications, if any required for smooth implementation of the project within the overall permissible time period.

13. Budget for CSR Expenses

The budget for the CSR expenses will be as per the Company Act requirement i.e., 2% (two percent) of the average net profit of the Company (Profit before tax) made during the three immediately preceding financial years calculated in terms of Section 198 of the Companies Act, 2013.

The said amount needs to be expensed out in the above focused identified areas every year. Committee shall make sure required amount is expensed in the same year otherwise the chairperson of committee shall give reason/explanation to board for not expensing such amount in that year. If the budget allocated in a year remains un-utilized, the Board shall in its report made as per provisions of Companies Act, specify the reasons for not spending the amount.

The surplus arising out of CSR shall not form part of business profit and shall be ploughed back into the same project shall be transferred to the Unspent CSR Account and then spent in pursuance of CSR policy and annual action plan of the Company, within six months of the expiry of the financial year.

If Company spends an amount in excess of the budget, such excess amount shall be set off against the requirement to spend for the CSR budget up to immediate succeeding three financial years subject to:

- Excess amount shall not include the surplus arising out of the CSR activities;
- Board of directors shall pass a resolution to that effect.

Allocation of fund for each Region & Activity of CSR will be decided by ICSRT and detailed report will be presented to CSR Committee and Board accordingly.

Based on the emerging needs, every year, list of activities to be undertaken by the Company along with financial allocation against each activity will be recommended by the CSR Committee and approved by the Board of Directors of the TIVA.

The expenditure incurred on baseline survey / need assessment study, on capacity building programs such as training, workshops, seminars, conferences, etc. and on corporate communication strategies for engagement of all stakeholders, whether internal or external, to implement the CSR agenda of TIVA, shall be accounted for as CSR expenditure to the extent that such expenditure is not exceeding 5% of the total CSR budget. Budget/Expenditure for Impact Assessment/Monitoring & Evaluation of CSR initiatives shall

be accounted as part of the Project Expenditure. In exceptional circumstances, the above allocation may be varied with the approval of the Board.

14. Planning & Implementation

14.1 CSR projects are generally formulated based on inputs from State Authorities/Village level consultation/Need assessment.

14.2 Focus of CSR initiatives should be primarily on asset creation. To the extent possible, maintenance/operational expenditure of such assets should not be borne by the Company.

Asset once created shall be transferred to respective State Govt/ Corporation / Panchayat etc. for operation & maintenance.

14.3 As far as possible, it should be ensured that CSR schemes/projects to be implemented should preferably not be open ended and CSR activities shall be taken up in project mode.

14.4 Monitoring & Evaluation should be integral parts of any CSR initiative and the project cost estimate shall include cost of Monitoring & Evaluation.

14.5 TIVA's contribution w.r.t. the CSR works taken up shall be highlighted through suitable signage.

15. Broad procedure for consideration of proposals

15.1 Individual proposals have to be within the frame work of the CSR Policy.

15.2 Every CSR / Sustainability proposal has to be projectized. This involves defining activities, time frame, financial requirement, organizational responsibilities, outcome / expected results and sustainable aspects. The proposals will be examined and submitted to the CSR & Sustainability Committee. Proforma specifying the specific details required for examination of CSR proposals is given in Annexure – II.

15.3 CSR proposals should to the extent possible focus on Skill Development & Employability, Education, Health, Safety & Environment, Women empowerment, facilities for Senior citizen, orphan children and for the benefit of local communities.

15.4 CSR proposals shall be formulated after getting feedback on the expectations of the key stakeholders like Central/State Government and/or District/Local Administration, Public Representatives, Gram-Sabha's and Panchayat Raj Institutions so that the activities are properly grounded.

15.5 Appropriate financial powers shall be delegated to Head of the Projects for timely execution of CSR Projects.

15.6 The releasing of funds in phased manner shall be clearly defined in the proposal to ensure proper utilization and submission of periodical progress reports before release of installments.

- 15.7 Project proposals can be prepared by ICSRT on their own or through a consultant as may be necessary. The CSR Projects prepared by State/District Authorities/Panchayat Raj Institutions at District/Block/Village level or Local Bodies or reputed NGOs within the purview of CSR policy may also be considered for implementation with the approval of Competent Authority. However, such projects submitted by NGOs shall be approved only after verification of their credentials, capability and preparedness to work in the specified locations and the projects submitted by Panchayat Raj Institutions shall be routed through the District Collector concerned.
- 15.8 The proposals identified by ICSRT which are beyond capabilities and preparedness of TIVA may be executed through reputed Section 8 companies (example - NGO), registered public trust, or any other Agencies/ State Govt. or other PSUs or through Panchayat Raj Institutions at District/Block/Village level or through Self-help groups or through any other Agency registered under the laws of India, having an established track record of at least three years in undertaking similar activities and considered appropriate by TIVA. In such cases, the company should get a certified true copy of the CSR-1 form (Registration of Entities for undertaking CSR Activities) filed by such registered agency prior to engagement of their services for CSR project(s).
- 15.9 The ICSRT is authorized to do all the ground work necessary to prepare estimates etc. wherever needed, check the estimates received from the state Govt/ Implementing agencies and conduct inspections/joint inspections as part of the implementation of initiatives. However, the overall responsibility of checking, supervision, final certification of all the aspects of the work will vest with Chief Financial Officer of the Company.

16. Guiding principles for selection of CSR initiatives

- 16.1 A three-tier structure, comprising of the Board, CSR Committee (Board level committee) of 3 or more Directors, and ICSRT officials headed by a CEO shall oversee the CSR agenda of the company.
- 16.2 The CSR Committee shall recommend to the Board, the activities to be undertaken by the Company.
- 16.3 The power to approve CSR activities shall vest with the Board of Directors of TIVA as per Companies Act 2013 & CSR Rules 2014.
- 16.4 Any activity undertaken by the delegated Authority shall have to be ratified by the Board of Directors.
- 16.5 CSR activities, in general, will be guided by the following:
- a) Baseline Survey Report on the need assessment / Secondary Data.
 - b) Assessment of Needs through Stake-holder Consultation.
 - c) Supplementing the Central/State Govt. Schemes to cross the 'last mile' in resource gap.
 - d) Preference will be given to the local area and areas around its operations of TIVA.
 - e) Priority shall be accorded to the stakeholders located in the periphery of the operations of TIVA & directly impacted by it.

- f) CSR Projects or programs or activities undertaken in India only shall be accounted as CSR Expenditure.
- g) Activities that contribute to the profitability /capital investment /working capital of Govt. Corporations/ Companies/ organizations shall not be considered for support, unless such support is intended to provide direct benefit to the socio-economically backward communities.
- h) In the selection or choice of CSR projects, TIVA shall avoid taking up ad-hoc, one off, philanthropic activity, which does not contribute in any way to social value creation, environment protection or sustainable development.

17. Implementation

The CSR Projects/ Activities shall be implemented in any of the following ways as below: -

- a) Directly by TIVA.
- b) Through NGOs / Voluntary Organizations/Trusts.
- c) Through concerned State/District Authorities/Panchayat Raj Institutions at District / Block / Village level.
- d) Through/in-partnership with other PSUs.
- e) Through Local Urban bodies like Corporations / Municipalities etc.,
- f) Through Self-help groups.

For b to c, only those will be considered which are registered entities for undertaking CSR Activities and has filed CSR-1 form to the MCA to that effect.

18. Monitoring, Evaluation & Reporting

18.1 Monitoring

- a) Monitoring of CSR projects shall go concurrently with implementation, to assess if the progress is on expected lines in terms of timelines, budgetary expenditure and achievement of physical targets. Monitoring shall be done periodically with the help of identified key performance indicators; the periodicity being determined largely by the nature of performance indicators. Like implementation, monitoring too shall be done in project mode with continuous feedback mechanism, for mid-course correction in implementation, whenever required.
- b) Monitoring shall be performed by TIVA through its team of officials specifically designated for this task or through an external agency to help in mid-course correction, if required. However, the final evaluation shall be entrusted to an external agency. The external agency, if any, engaged for implementing a project shall not be considered for the task of monitoring and evaluation because of the likely conflict of interest involved in the assignment.

18.2 Evaluation

Assessment of CSR Projects of TIVA will be taken up by the management of the company and shall be submitted to the Board of Directors of the company.

18.3 Reporting

TIVA shall submit details of its CSR activities as per the Annexure II of The Companies (Corporate Social Responsibility Policy) Rules, 2014 as part of the Annual Report and place the details on the Company's website.

Website Disclosure

The composition of the CSR Committee, CSR Policy and approved CSR projects should be mandatorily disclosed on the website of the company and certification to that effect shall be given to the Board of Directors of the company by the ICSRT.

18.4 Management Information System (MIS)

MIS shall include data w.r.t., physical progress, financials, Output & Outcomes, along with documentary proof.

For effective follow-up, each CSR project/activity shall be suitably coded.

Approved by: The Board in its meeting held on 22nd April, 2021.

Annexure I - Schedule-VII of Companies Act, 2013

The CSR Activities to be undertaken shall include but not limited to following; The prospective changes in the companies Act 2013 with respect to section 135, Companies Corporate social responsibility Rules, 20154 and any other amendment thereof regards to the CSR shall mutatis mutandis be included in this policy

1. Eradicating hunger, poverty and malnutrition, promoting 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;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. 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 setup by the Central Government for rejuvenation of river Ganga;
5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund(s) 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;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects;
11. Slum area development- '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.

Kindly note that this list is illustrative and not exhaustive and it should be read in its liberal sense so that the intent behind CSR stipulation can be duly given effect.

Annexure-II - Specific details required for examination of CSR proposals (Format)

1	Focus Area: 1. Skill Development & Employability 2. Education 3. Health, Safety & Environment. 4. Women empowerment, facilities for Senior citizen & orphan children. 5. Contribution to the Prime Minister's National Relief Fund or any other fund(s) setup by the Central or State Government.	
2	Name of the proposing organization/ Agency with necessary background & track record in bullet form	
3	Whether meets eligibility criteria	
4	Name / Title of the Proposal	
5	Name of the Management Committee of the beneficiary with brief introduction.	
6	Why Needed (Justification in terms of expected benefits/outcomes or targets)	
7	Expected outcome of the project to be indicated in quantifiable terms	
8	Type of Work:	
9	Nature of CSR activity	
10	Location: District, Block, Village / Gram Panchayat & Complete address	
11	Estimated allocation sought for along with each activity & sub activity to be clearly spelt out with mention of budget against each item.	
12	Proposed duration of Completion/ Implementation	
13	Monitoring against measurable targets	
14	Periodicity of Monitoring	
15	End of Project evaluation & closure of the project	
16	Additional information, if any.	

Annexure-III- Standard Procedure for Documentation of CSR Projects.

1. Request Letter from the proposed beneficiary specifying about their need and requirement.
2. Quotations of identified Vendors and Price Comparison.
3. CSR Activity approval from CEO and CFO of the company through ICM or e-mail.
4. Purchase Order.
5. Advance approval from CEO and CFO (if any) through ICM or e-mail.
6. CSR Activity completion certificate from Vendor.
7. Warranty Card for the products installed (if any).
8. Handing Over Letter by TIVA to the Beneficiary.
9. Thanks Giving Letter from the Beneficiary to TIVA.
10. Invoice inclusive of all applicable taxes.
11. Delivery Challan (in case the invoice date is later to the date of handing over letter)
12. Photographs of the CSR activities undertaken by the company.
13. If any of the above-mentioned documents are not available then a proper justification notes upon the same should be addressed to the management of the company.