



## POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

OF

**ARB BEARINGS LIMITED**

### TITLE AND APPLICABILITY:

**ARB BEARINGS LIMITED** ("Company") has developed its Corporate Social Responsibility Policy ("Policy") in accordance with provisions of section 135 of the Companies Act, 2013 and the rules made there under.

### CSR VISION:

Corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare

### CSR MISSION STATEMENT:

- Create meaningful and long-lasting impact on the society at large with minimal resource for economic development.
- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting

### CSR OBJECTIVE:

- The main objective of the Corporate Social Responsibility Policy ('Policy') is to lay down guidelines to make Corporate Social Responsibility as one of the key focus areas to adhere to make progress strategy that focuses on making a positive contribution to society through high impact, sustainable programs.
- The Company will undertake social projects in a focused manner, for maximum positive impact.
- Strengthening rural areas by funding for urinals and other health and sanitation related activities for women in government schools and colleges.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- Making quality healthcare accessible and affordable for all.

### VALIDITY OF CSR POLICY:

The Board may amend the CSR Policy time to time.

## CSR PROGRAMME AREA

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation & making available safe drinking water.
- ii. Promoting education, including special education & employment enhancing vocational skills especially among children, women, elderly & the differently abled & livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- iv. Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- v. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- vii. Employment enhancing vocational skills
- viii. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- ix. Measures for the benefit of armed forces veterans, war widows & their dependents;
- x. Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
- xi. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- xii. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- xiii. Rural development projects,

xiv. 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.

The Above list is illustrative not exhaustive. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society and comes under the purview of Schedule VII of Companies Act, 2013 and rules made thereunder, amended from time to time.

#### **CSR BUDGET:**

- The Board of Company shall ensure that in each financial year, the Company spends 2% of the average net profit made during the immediate three preceding financial years.
- The unutilized CSR budget from the 2% of the average net profit will be parked in a CSR Fund (Corpus) created by the company. This Fund would also include any income arising there from and any surplus arising out of CSR activities.
- In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company.

#### **CSR IMPLEMENTATION:**

- The CSR projects will be implemented in a time-bound manner with clear objectives, plan, targets and robust monitoring and evaluation mechanisms.
- The Company's upcoming CSR projects will be aligned to the Policy. This Policy builds on the learning's and good practices of the CSR projects initiated by the Company.
- The Company will enter into partnerships with the government, not for profit organizations, business partners and communities to create multiplier effect of its social projects.
- The Company has set up dedicated teams for implementation of CSR projects. The mode of implementation will include a combination of direct implementation and implementation through trust/foundation/society set up by the Company and partners such as Foundations, Registered Societies, Trusts, etc. The Company will select its partners after appropriate due diligence.
- The Company will use services of expert agencies, consultancy firms etc. wherever required for carrying out baseline surveys, guidance on project design and implementation, third-party monitoring and evaluations, impact assessment surveys etc.

- The teams responsible for implementing various CSR projects are mentioned in the section on the Governance Structure of the Policy.
- The heads of the respective teams managing CSR projects will be authorised to sign Memorandums of Understanding (MOUs)/Agreements with the implementing partners after taking required approvals.

## **ROLES AND RESPONSIBILITIES:**

### **A. The Board**

The Board of Directors of the Company will be responsible for:

- Approval of the CSR Policy of the Company.
- Disclosing the content of the Policy in its report and place the Policy on the Company's website in such a manner as prescribed under Section 135 of the Companies Act 2013 read with the CSR Rules.
- Ensuring that the social projects included in the Policy are undertaken by the Company.
- Ensuring that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy.
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.
- Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.

### **B. CSR Committee:**

The CSR Committee reconstituted on 19<sup>th</sup> March, 2020 and consisting the following directors:

1. Mr. Vinod Goel, Chairman
2. Mr. Pramod Goel,
3. Mrs. Rajshree Goel, Director
4. Mr. Devesh Bahl, Non-Executive Director
5. Mr. Navneet Jerath, Non-Executive Director

Formulating and recommending to the Board of Directors, the CSR Policy and indicating activities to be undertaken recommending the amount of expenditure for the CSR activities and monitoring CSR activities from time to time.

### **C. Responsibility of the CSR Committee:**

- Formulate and recommend the CSR Policy to the Board for approval. The Committee shall indicate the projects to be undertaken by the Company as specified in Schedule VII
- Monitor the Policy from time to time and recommend changes to the Board
- Recommend the amount of expenditure to be incurred on CSR projects
- Institute a transparent monitoring mechanism for ensuring implementation of the social projects undertaken by the Company

### **FUNDING, SELECTION AND MONITORING PROCESS**

The Company will receive requests for funding of projects throughout the calendar year. The Company panel of experts will evaluate proposals received under the focus areas and projects will be prioritized by assessing their impact and will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.