

FORGE AUTO INTERNATIONAL LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

This corporate Social Responsibility Policy (“the CSR Policy”) has been framed by Forge Auto International Limited (the Company) in accordance with the section 135, schedule VII of the Companies Act, 2013 and CSR Policy Rules issued by Ministry of Corporate Affairs.

2. COMPANY PHILOSOPHY FOR CSR POLICY

Companies Act, 2013 has formally introduced the corporate social responsibility to the dash board of the Indian Companies. Legal framework is an edge to corporate charitable/ reformative approach towards the society to which the corporate is belonging to. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach. The management of Forge Auto International Limited expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

3. CONSTITUTION OF CSR COMMITTEE

The Company has constituted Corporate Social Responsibility Committee (“the committee”) comprising of following members:

S.NO.	NAME	DESIGNATION	CHAIRMAN/ MEMBER
1	Rajan Mittal	Managing Director	Chairman
2	Parmod Gupta	Chairman and whole-time Director	Member
3	Ansh Jain	Independent Director	Member

Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

4. CSR ACTIVITIES

Pursuant to Schedule VII of the Companies Act, 2013, the Committee has approved the following activities as “CSR Activities” to be undertaken under the CSR Policy of the Company. The Board of Directors has reviewed the said activities and express its consent to the committee to pursue the said activities under section 135 of the

Companies Act, 2013, Schedule VII and other applicable rules, regulations, notifications etc. issued/ to be issued from time to time.

Approved CSR Activities:

1. Promoting preventive healthcare and sanitation to the public;
2. Promoting education, including primary, secondary and higher secondary education, as well as special education and employment enhancing vocation skills especially among Children, women, elderly and the differently abled and livelihood enhancement projects;
3. Promoting Gender equality and empowerment of women;
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
5. Protection of natural 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 art and handicrafts;
6. Measures for the benefit of armed 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 any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward, classes, minorities and women;
9. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government and Contributions to public funded Universities
10. Rural Development projects
11. Slum Area Development
12. Disaster Management, including relief, rehabilitation and reconstruction activities

13. Any other activity as may be notified by the Government from time to time.

IMPLEMENTING AGENCY

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, 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) 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.

Every entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar.

5. EXCLUSIONS

Corporate Social Responsibility (CSR) means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in the CSR Rules, but shall not include the following, namely: -

- (i) activities undertaken in pursuance of normal course of business of the Company.
- (ii) any activity undertaken by the Company outside India except for training of Indian sports personnel
- (iii) representing any State or Union territory at national level or India at international level.
- (iv) contribution of any amount directly or indirectly to any political party.
- (v) activities benefitting employees of the Company.
- (vi) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- (vii) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- (viii) Contribution to political party under section 182.

6. BUDGET FOR CSR ACTIVITY & CSR EXPENSES

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding three financial years. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for the approval. The board shall approve the total fund to be utilized for CSR activity for respective financial year.

“Average Net profit” here means average net profit calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company or Ploughed back to same project; or Transfer to Unspent CSR account; or Transfer to fund specified in Schedule VII within 6 months from the end of financial year.

The Company may collaborate or pool resources with other Companies to undertake CSR activities.

7. IMPLEMENTATION

This CSR Policy will be implemented from 17TH June, 2024 as the Company is converted i crosses any of the limits as provided in section 135 of the Companies Act, 2013 as per its audited annual financial statements. Based on the net profits, or net worth or turnover, if any, every year, the CSR Committee will identify the CSR activities including the thrust areas, annual budget, planned expenditure and implementation schedule etc.

The preference for CSR activities shall be given to the local areas where registered office of the Company is situated.

However, this shall not bar the Company from pursuing its CSR activities in any other areas.

8. CSR IN COLLABORATION OR THROUGH A MEDIUM

The Company will undertake its CSR activities as approved by the CSR Committee, through itself or through a registered trust or registered society or a Company established by the Company under Section 8 of the Companies Act, 2013.

The CSR Committee will decide the mode of execution of such activities/ projects i.e. whether such activities will be carried out by a registered and approved trust or society or a company with an established track record of not less than three years in undertaking similar programs or projects or they will be carried out by team of persons

specifically formed for such purpose(s) or such other mode as is within the scope of the CSR provisions and most suitable for execution of that particular activity/ project.

The CSR Committee may also decide to contribute the entire or part of the amount to any fund as is within the scope of CSR Provisions.

9. MONITORING BY THE BOARD

The Board of Directors shall constantly monitor the implementation of the CSR activities. The CSR committee shall place a progress report, including the details of expenses, before the Board on quarterly basis. The Board shall review the same and suggest recommendation, if any, to the committee with regard to implementation process.

Board responsibility and CFO certification [Rule 4 (5)]

In addition to the monitoring by the board, it requires the CFO or person responsible to give utilisation certificate of the disbursements of funds. Further, CFO of the company shall require certifying the annual CSR report.

10. COMPLINACE AND REPORTING TO BOARD

The Committee is responsible to undertake CSR activities as per the approved CSR Policy. A detail report containing the implementation schedule, total budget allocated, actual expenses incurred, surplus arising, if any, result achieved, further work to do in the CSR activity, recommendation for the CSR activities for next year etc. should be placed before the Board for its consideration. Any surplus arising out of the fund allocated for CSR activity shall not be part of the business profit of the Company.

11. MANAGEMENT COMMITMENT

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our policy.