



CSR Policy

HR Document

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Auto Ignition Limited

Document Control		
Policy Document name	CSR Policy	Section 10
Date of Release and effective date	1 st April 2023	Document No: HR/POL/10-Ver 7.1
Next Review Date	1 st April 2026	Section 10.1
Document Owner	HR	
Classification	Internal	Document No: HR/POL/10- Ver 10.1
Document Approvers		
Version No	Approver	Author
V7.1	President/CSR Chairman	HR
Version History		
Version	Effective Date	Changes
V7.1	1 st April 2023	Categories of CSR & Members Identified
V10.1	01st June 2025	<ul style="list-style-type: none"> • Version Upgradation • Amendment as per changes in law • Change in Composition of Committee members & Internal Monitoring Committee Members

If a brand genuinely wants to make a social contribution, it should start with who they are, not what they do. For only when a brand has defined itself and its core values can it identify causes or social responsibility initiatives that are in alignment with its authentic brand story.

- Simon Mainwaring

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1. INTRODUCTION

Auto Ignition Ltd (**hereinafter referred as “Auto-Lek/ “AIL”/“Company”**) recognizes that business enterprises are economic organs of society and believe in giving back to society.

This CSR Policy aims to define and establish the Company’s Policy framework towards CSR

➤ Scope

- AIL recognizes and is committed towards creating common good for all. The Company shall implement its CSR Activities to integrate economic, environmental and social objectives with its operations and growth for common good.
- AIL is committed towards making visible and tangible contribution to communities and environment.
- AIL shall identify projects/programs/activities that aim to improve the quality of life in urban/rural areas.

➤ Definitions

- **‘Act’** means Companies Act, 2013, as amended from time to time
- **‘Company’ means Auto Ignition Limited**
- **‘Board’** means the Board of Directors of the Company.
- **‘Corporate Social Responsibility’ or ‘CSR’** activities means and includes are as follows: –
 - a) Projects or programs relating to activities specified in Schedule VII to the Act; or
 - b) Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per the CSR Policy of the Company subject to the condition that the CSR Policy will cover subjects enumerated in Schedule VII of the Act
- **‘Net Profit’** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act or as may be amended from time to time, but shall not include the following, namely:-
 - (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

- ‘**Society**’ means a society registered under the Societies Registration Act, 1860 or any other applicable laws in India.
- ‘**Trust**’ means a public charitable trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.
- ‘**CSR Expenditure**’ means the amount recommended by the CSR committee to be incurred on the CSR activities in India in terms of the Act and the CSR rules as approved by the Board from time to time.
- ‘**CSR Committee**’ means a committee constituted by the Board of Directors in terms of Section 135 if the Act and the CSR rules.
- ‘**CSR Rules**’ means the Companies (Corporate Social Responsibility Policy) Rules, 2014 or as amended from time-to-time.

Any term not defined above, shall have been the meaning assigned to it under the Act or the CSR rules as may be applicable.

2. Guiding Principles for Constitution of CSR Committee/ CSR Objective

2.1 Guiding Principles for Constitution of CSR Committee

- The CSR Committee shall consist of three or more Directors, out of which at least one director shall be an independent director. Provided that where a company is not required to appoint an Independent Director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more Directors.
- The Committee will meet at least once in a year to discuss and review CSR activities, CSR Expenditure and Policy as and when required. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee members can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.

➤ Composition

As per requirement of Section 135 of Companies Act, 2013 and rules related thereto or as amended from time to time, the Board of Directors of AIL has constituted the “**Corporate Social Responsibility Committee**” comprising of following Directors as members of the committee:

Name	Designation	Status
Mr. Ishaan Sarine	Managing Director	Member
Mr. Lokes Dhawan	Independent Director	Chairman
Ms. Vaani Kohli	Director	Member
Mr. Trilok Chand Bansal	Whole-time Director	Member

➤ **Meeting**

The committee meeting will be held on need to basis and the minutes of the same be signed either by the Chairman of the Committee or any other member as may be elected by the members in that meeting.

However, members of the Committee can be change due to resignations and new appointments from time to time.

➤ **The Geographic Reach**

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility.

However, it is open to exclusive projects in urban areas as well.

The Company will thus give preference to conducting CSR activities in the state(s) in India wherein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

2.2 CSR OBJECTIVE:

➤ **The Corporate Social Responsibility Committee shall,—**

- (a) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- (b) recommend the amount of expenditure;
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time;
- (d) Formulate annual action plan every year in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items:
 - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - ii. the manner of execution of such projects or programs.

- iii.the modalities of utilization of funds and implementation schedules for the projects or programs.
 - iv.monitoring and reporting mechanism for the projects or programs;
 - v.details of need and impact assessment, if any, for the projects undertaken by the company.
 - vi.All CSR projects or activities are required to be approved in annual action plan.
 - vii.If company proposes to undertake any project / activity which is not approved in annual action plan, it requires approval of CSR Committee and the Board with proper justification.
 - viii.The annual action plan shall change for each financial year as it is a manifestation of the guiding principles mentioned in CSR Policy, as may be relevant for each financial year.
- (e) The CSR Policy covers both existing and proposed activities to be undertaken by AIL within the meaning of Section 135 of the Act read with Schedule VII and rules made thereunder.
- (f) Following thrust areas have been identified around which AIL shall be focusing its CSR initiatives and channelizing the resources on a sustained basis on Pan India basis:

S. No.	CSR Program	CSR Initiative
1.	Health	<ul style="list-style-type: none"> • Promoting healthcare, including preventive health care for students and children. • Promoting sanitation • Making available safe drinking water • Setting up old-age homes, day-care centres and such other facilities for senior citizens
2.	Education, Skill Enhancement and & livelihoods	<ul style="list-style-type: none"> • Promoting education, including special education • Promoting employment-enhancing vocational skills (especially among children, women, elderly & the differently-abled) and livelihood enhancement projects
3.	Women Empowerment	<ul style="list-style-type: none"> • Promoting gender equality, empowering women
4.	Social Security	<ul style="list-style-type: none"> • Setting up homes and hostels for women and orphans
5.	Social Upliftment	<ul style="list-style-type: none"> • Measures for reducing inequalities faced by socially and economically backward groups • Slum area development. • Deaddiction centre

6.	Environment	<ul style="list-style-type: none"> • Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare and agroforestry • Conservation of natural resources • Maintaining quality of soil, air and water including contribution to the clean ganga fund set-up by the Central Government for rejuvenation of River Ganga.
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(g) CSR Activities shall exclude activities undertaken in pursuance of its 'normal course of business'.

(h) CSR projects or programmes or activities that benefit only the employees of AIL and their families shall not be considered as CSR activities

(i) CSR Committee shall approve: -

- a) Projects to be undertaken; and
- b) The amount of expenditure to be incurred on a CSR Activity out of CSR Funds allocated for the year, as recommended by Internal Monitoring Group and the same be recommended to the Board of Directors.

(j) The CSR activities will be driven by Internal Monitoring Group under the guidance and support of CSR Committee & Board of Directors.

3. INTERNAL MONITORING COMMITTEE MEMBERS

Internal Monitoring Committee Members shall:

- 3.1 Ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilization of the amount sanctioned towards CSR Activities should be reported to the Board as well the CSR Committee on a yearly basis.
- 3.2 In the event any of the CSR Activities are undertaken through an Implementing Agency, the Implementing Agency shall ensure that the progress on such CSR Activity is submitted to the Board as well the CSR Committee on a yearly basis.
- 3.3 If deemed necessary for the purposes of monitoring, the CSR Committee or any member/officer authorised by the Committee/Board may carry out inspections as and when required.
- 3.4 The Internal monitoring group committee members consists of following :

Name	Designation
Ms. Bhawna Chauhan	Head-Central HR
Ms. Kanika Bansal	AVP- Strategy & Finance
Mr. Manish Pathak	Senior Manager-Personnel & Administration
Ms. Bency Albert	Assistant Manager- HR
Ms. Mona	Company Secretary

3.5 In accordance with this CSR Policy, any member of the CSR Committee who wishes to resign may do so by submitting a formal written resignation to the Chairman/Committee Members. Such resignation shall be placed before the Board for due consideration and approval.

3.6 In the event of any change in the composition of the Internal Monitoring Group Committee due to the resignation of a member, the same shall be duly noted by the Committee. The appointment of a new member to fill the vacancy shall be reviewed and approved by the Internal Monitoring Group Committee.

4. PLANNING AND IMPLEMENTATION OF CSR ACTIVITIES

- The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and recommended by the CSR Committee.
- The CSR Activities may be undertaken by the Company directly as approved by the CSR Committee/Board or through any other Implementing entities which fulfill the criteria and meet the requirement as prescribed under Rule 4 of the CSR Rules and having a unique CSR Registration Number.
- The conditions of grant of amounts for all CSR Activities and the break-up of the allocations shall be set out and evaluated from time to time.

5. ALLOCATION

- The Company shall spend atleast 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- The Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure ["including expenditure on administrative overheads,"] shall not exceed five percent of total CSR expenditure of the company in one financial year.
- If the company spends an amount in excess of the requirements provided under sub-section (5) of the Companies Act, 2013 or as amended from time to time, such excess amount may be set off against the requirement to spend under the Section 135 (5) up to immediate succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.

(ii)the Board of the company shall pass a resolution to that effect.

6. AMENDMENTS

The Board of the Company may on its own as per the recommendations of the CSR Committee and/or of the Internal Monitoring committee members and subject to the compliance with the applicable law or as may be amended from time to time, at any time alter, amend and modify the CSR policy as it deems fit to comply with the statutory obligations of the company to undertake the CSR activities.

7. REVIEW AND REPORTING

1. The CSR Committee shall maintain proper minutes of all its meetings.
2. The Board's report of the Company shall include an annual report on CSR containing the particulars set out in Annexure(s) of CSR Rules (as amended from time to time) and such other details as may be prescribed from time to time under the Act and the CSR Registration No.
3. In respect of the reporting, the Board will be responsible to ensure that:
 - (i) The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
 - (ii) The contents of the CSR Policy along with composition of the CSR committee and projects approved by the Board are also made available on the website (if any) of the Company.
 - (iii) If the Company fails to spend such amount, the Board shall, in its report made under Clause (o) of sub-section (3) of Section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
4. The report shall be signed by the Chairman of the CSR Committee, Managing Director/CEO/Director of the Company and AVP-Strategy & Finance.

8. QUERIES / CONTACT INFO

- In case of any doubt with regard to any provision of the CSR Policy and also in respect of matters not covered herein, a reference to be made to the CSR Committee or to the Chairman of the CSR Committee. In all such matters, the interpretation and decision of the Chairman of the CSR Committee shall be final.
- For Queries related to CSR Policy please write to:-
Ms. Bhawna Chauhan-Central HR Head : Bhawna.chauhan@autolek.com