

TVS UPASANA LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

The following policy statement articulates the broad contours of the company's corporate social responsibility policy, its development, focus areas present and future, the procedures and processes to implement such policy.

Introduction

TVS Upasana Limited (TUL) (the company) is a wholly owned subsidiary of Sundram Fasteners Limited (a part of the TVS Group), headquartered in Chennai, India. The Company has established a track record of leadership over 20 years. With a diversified product line and motivated team of talented people, the company has become a supplier of choice to leading customers in the automotive and industrial segments worldwide. Over the years, the company has acquired cutting-edge technological competencies in Spokes and Nipples, Automobile Kits, Tools, Dowel Pins, Cold Extruded Parts and Small Screws. Manufacturing locations are supported by engineering and design personnel working on new product design and development. For the company, growth is a natural outcome of total adherence to three core operating principles: customer orientation, total quality and ethical business practices.

Corporate Social Responsibility Culture in TUL

Sundram Fasteners Limited, our Promoter, had recognized the responsibility to serve the community in which it operates and has been engaged in Corporate Social Responsibility (CSR) activities much before its due recognition. The origin of Corporate Social Responsibility Policy (CSR Policy) of TVS Upasana Limited (TUL) and its continuous development has been inspired by the TVS group's DNA and culture of sharing its prosperity with the society.

The company believes that all stakeholders must benefit, whether it is employee welfare or involvement of the employees in fulfilling the needs of the society. The company firmly believes in sharing its prosperity with the society in which it operates. The company, being a responsible corporate citizen, has always meant going beyond mere compliance with the laws of the land. Thus, the objective of CSR Policy of the company is not just to meet the legal requirements, but to have a profound positive social impact. The CSR policy of the company not only strives to focus on the interest of various stakeholders, but also the community and the environment as a whole.

(TUL)'s Corporate Social Responsibility

(TUL)'s CSR Policy is in line with Sundram Fasteners Limited's CSR Policy as set out below:-

- Our vision is to actively engage and extend support to the communities in which we operate and thus build a better, sustainable way of life by supporting the weaker sections of the society and thus contribute to the human development.
- Our objective to impel measures to provide solutions that will balance economic, social and environmental issues.
- To continue to intensify and dutifully fulfill our current CSR commitments and to augment our efforts in the evolving opportunities.
- To work together with our employees with a commitment for adhering to responsible business practices in terms of quality management, environmental sustainability and support to the community.
- To ensure the alignment of our CSR Policy in all facets of our business and across all our business units.
- The CSR Policy of TUL envisages the following focus areas for incurring the CSR expenditure:-

Education	To support promotion of education, support technical and vocational institutions, provide financial assistance, commuting facilities to the needy students who are located in remote and distant areas from the school, conducting educational awareness programs and counselling programs for parents.
Healthcare / Hygiene	Providing medical care, assistance, establishing medical centres, measures to eradicate hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation and making available safe drinking water, support hygiene development activities including distribution of personal hygiene products etc.
Environment	Plantation of saplings, pollution control, environment management, 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
Gender Equality, Women Development	Promoting gender equality, training of women to make them employable, organising vocational courses and such other courses for their skill development
Heritage, Arts & Culture and Sports	Preservation and protection of national heritage, temple preservation and religious endowments, promotion of arts and culture, promotion and development of traditional arts and crafts including handicrafts, extension of benefits to artisans, setting up public libraries;, promotion of sports, sporting events, donations to and sponsorship for deserving sports persons
Support to Academic Institutions	Contribution of funds provided to technology incubators located with academic institutions, recognized universities which are approved by the Central Government
Contribution to Government Funds	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government.
Rural Development	Rural development projects including support for building basic infrastructure facilities. Wherever possible the primary beneficiaries will be communities situated in and around the factories / units of the company.
Welfare measures / Others	Welfare measures for the community including employees and their families, including scholarships, reimbursement of tuition fees and hostel fees. Such other areas which the corporate social responsibility committee (CSRC) recommends or decides to focus / support from time to time.

The above list is illustrative and not exhaustive.

The Company is of the view that the above mentioned focus areas are related to the activities included in Schedule VII of the Companies Act, 2013. Further, the company may consider such other activities not falling in the above list, which may be notified by the Government of India from time to time.

Identification of CSR Project

The Company would consider the project requests and shall submit its proposal and recommendations to the CSRC.

CSR Project approval

- CSRC will formally examine and approve the CSR project to ensure that the project is in line with the CSR Policy of the company. Such approval will be based on the project proposal submitted.
- The Board of Directors, from time to time, will determine the delegation of powers required for project approval and disbursements towards CSR activities / projects.
- The Board of Directors may *severally* authorise the Managing Director, Director and Chief Financial Officer & Company Secretary to consider and approve the appointment of personnel, external consultants for discharging the functions relating to the CSR activities.
- The Board of Directors may also *severally* authorize the Managing Director, Director and Chief Financial Officer & Company Secretary to consider disbursement of funds for CSR activities including for special circumstances such as natural calamities like flood, earthquake or similar events, war, etc., towards any relief funds of Central Government and / or support to NGOs involved in such relief work.

Board Functions with respect to CSR

- To take into account the recommendations of the CSRC.
- To approve the CSR Policy and changes, if any in the same from time to time and ensure dissemination of the same in the company's website and Board's report to the shareholders.
- To undertake such CSR activities, which are included in the CSR Policy.
- To endeavor to spend 2% of the average net profits made during the three immediately preceding financial years.
- To endeavor that the company gives preference to local area and areas around the company where it has operations for spending the amount earmarked for CSR activities.
- To endeavor that the activities included by the company in its CSR Policy are related to the activities included in Schedule VII of the Act.

CSR Funding

- The company will spend in each financial year at least 2% of its average net profits (as stipulated under the Companies Act, 2013) made during the preceding three financial years on CSR activities.
- When the company is unable to spend or does not spend such sum for any reasons, the company will provide the reasons for not spending the amount in its Board's report.
- Any surplus arising out of the CSR projects or programs or activities shall not form part of business profit of the company.

Modalities of execution of CSR programs

- CSR activities will be implemented by the company directly or by a trust as may be identified by the company.
- The company may also implement the CSR activities through any Trust, Society or NGO, which has an established track record of at least 3 years in undertaking social welfare programs.
- The company may also collaborate with its group companies to undertake projects including such projects, which may require a huge financial support.

- The company may also undertake CSR activities along with or through specialized agencies such as elected local bodies such as panchayats, NGOs, Institutes / Academic Institutions, Self-help groups, Government, Semi-Government organizations, autonomous organizations etc.
- The maintenance of assets created through CSR expenditure would be the responsibility of the concerned recipient or representative of such recipient. While approving such expenditure or while disbursing the funds, the company will obtain an undertaking from the recipient or the representative of the recipient that they would be responsible for maintenance of the assets.

Implementation

- The project proposal submitted will be examined by the Corporate Social Responsibility Committee (CSRC).
- CSRC will approve the projects to be undertaken and the amount of expenditure to be incurred by TUL on CSR activities.
- The expenditure on CSR will be based on the project having identified timelines. Depending upon the nature of the project and the size of the project, involvement in such project may entail long-term commitments and hence such projects will be reviewed from time to time by CSRC.
- The implementation schedule will vary from project to project, which will be decided at the time of finalising each project. Project activities will be executed as per these timelines.

Monitoring projects

The CSRC will monitor the projects at such intervals as may be required.

Conclusion

This policy will form the framework around which the CSR activities would be undertaken by the company. Our CSR policy conforms to the mandate specified under the Companies Act, 2013 and the rules made thereunder. The company believes that by acting upon these CSR initiatives, the company will fulfill its responsibilities as a good corporate citizen and thus contribute to the society. The company will also evolve and refine its CSR Policy in response to the changing business and regulatory environments.
