

Jullundur Motor Agency (Delhi) Limited
(“JMADL” / “COMPANY”)



Policy on
Corporate Social Responsibility
(Updated till 10th August, 2021)

Corporate Social Responsibility Policy

Preamble

Jullundur Motor Agency (Delhi) Limited, a company formed and registered under the provisions of the Companies Act, 1913 as Private Limited and thereafter, converted into Public Limited company as on 14th day of August, 1975, having its registered office at 458-1/16, Sohna Road, Opposite Gurgaon Courts, Gurgaon – 122001, Haryana, INDIA (hereinafter referred to as “**JMA**” / “**Company**”) is engaged in the business of distribution of spare parts across India and is one of leading distribution house in their field. JMA aims to carry out charitable objects and purpose wide enough for the extension of the benefit thereof to all, irrespective of class, creed and relief poor, education, medical relief and advance of any object of general and or public utility.

Management of JMA is also committed to contributing funds towards its societal responsibilities beyond statutory obligations. JMA has the track record to contributing the funds to charitable trust(s) /society (ies) and other institution(s) which are engaged in carrying out aforesaid CSR activities.

Regulatory Framework:

The Companies Act, 2013 together with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time (‘the Act’) and Schedule VII to the Act requires companies having net worth of INR 500 crore or more, turnover of INR 1000 crore or more or net profits of INR 5 Crore or more to spend 2% of its average net profits earned during the three immediately preceding financial years. The amount is required to be spent in some of the identified activities that are listed in Schedule VII (as amended) to the Act. The said Schedule also provides a framework and the focus areas in which the amount is required to be spent. Further, the rules read with the Act provide instructions on agencies eligible for implementation through which the Companies may spend CSR amount.

In line with the requirement of Act, Schedules and rules made there under, this Corporate Social Responsibility Policy (herein after referred to as “**CSR Policy**”) has been formulated and would be submitted to the Board with the recommendation of the CSR committee for approval of the said policy.

I. Objective of the Policy

This Corporate Social Responsibility Policy(CSR Policy) as recommended by the Committee and approved by the Board of Directors (Board), outlines clearly the areas in which the company will continue to spend the required amount so as to provide benefit to the society directly and / or indirectly.

The objective of the policy is to set the direction of the CSR activities to be pursued by the company. It also defines the governance and monitoring framework for ensuring the effectiveness of the policy.

II. Definitions

- (i) “**the Act**” means the Companies Act, 2013.
- (ii) “**Board of Directors**” or “**Board**” means the collective body of the directors of the Company.

- (iii) **“Company”** means “Jullundur Motor Agency (Delhi) Limited”.
- (iv) **“CSR Committee”** means Corporate Social Responsibility Committee constituted by the Board of Directors of the Company.
- (v) **“CSR Policy”** means Policy on Corporate Social Responsibility of Jullundur Motor Agency (Delhi) Limited, framed in accordance with the relevant provisions of the Act.
- (vi) **“CSR Rules”** mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- (vii) **“Implementing Agency”** means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR Policy.

Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the Company.

III. CSR Committee

CSR Committee of JMA shall consist of minimum 3 (three) directors including Chairman of the Board. The Composition of CSR Committee, as appointed by Board of Directors of the Company, is as under:

1. Mr. Alok Sondhi, Chairman;
2. Mr. Virat Sondhi, Non-Executive Director, Chairman- Emeritus;
3. Mr. S C Vasudeva, Chairman and Independent Director on the Board; and
4. Mr. A C Anand, Independent Director
5. Mrs. Shuchi Arora, Non-Executive Director

IV. Functions of the CSR Committee:

1. Formulate the CSR policy and recommend its adoption by the Board of Directors.
2. Provide strategic direction for the CSR initiatives of the Company.
3. Select CSR projects to be supported by the Company which are in line with the requirements of the Act and recommend Annual CSR Plan to the Board for approval.
4. Recommend the CSR expenditure for priority projects and monitor implementation of the CSR policy and the CSR projects and provide inputs to the Board on monitoring of the CSR program.
5. Recommend changes to the CSR policy as per prevailing legal requirements and environmental needs.
6. Selection of the CSR projects /programmes/ activities, will be based on the long term objective of each project, statutory eligibility and credibility of implementing agency that is involved in the implementation and the practical need for such projects and implementation and monitoring of the CSR projects /programmes/ activities.

V. CSR Activities

The Board recognizes that CSR is not merely compliance; it is commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as per the Act, Schedules and Rules made there under:

A. The company shall undertake such activities which are broadly related to any of the following:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

- (iii) 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.
- (iv) 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.
- (v) Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art, setting of public libraries, promotion and development of traditional art and handicrafts.
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- (viii) Rural development projects
- (ix) Development of area declared as "slum area" by the Government or Competent Authority.
- (x) Disaster management, including relief, rehabilitation and reconstruction activities.

B. The company may also contribute to the following funds as part of CSR activities:

- (i) Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (iii) 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 set up by the set-up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women
- (iv) 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.
- (v) Contributions to public fund Universities, Indian Institute of Technology (IITs), National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE) , Department of Biotechnology (DBT), Department of Science and Technology (DST), Department of Pharmaceuticals, Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH), Ministry of Electronics and information Technology and other bodies, namely Defense Research and Development Organisation (DRDO), Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:

- i) Activities undertaken in pursuance of normal course of business of the company any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- ii) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- iii) Activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);

- iv) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
- v) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

VI. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board an annual action plan in pursuance of the CSR Policy in accordance with the applicable law, which shall include:

- (a) the list of CSR projects or programmes that are approved and to be undertaken by the Company;
- (b) the manner of execution of such projects or programmes;
- (c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board of Directors are empowered to alter the annual action plan during the financial year, if so recommended by the CSR Committee, based on the reasonable justification for such change.

VII. CSR Spending

The company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- (a) Minimum 2% of its average net profits made during the three immediately preceding financial years.
- (b) Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities.

Focus Areas

While the Company may undertake CSR activities in any areas listed above, the focus areas of CSR activities should be on the following aspects:

- (i) Health Camps
- (ii) Environment protection
- (iii) Rain water harvesting
- (iv) Rural Transformation
- (v) Safe Drinking Water
- (vi) Education to under privileged

Board may also set up its own trust or society to carry out aforesaid one or more activity (ies) as a project and may choose another project on completion of one project from time to time. Board may also after discussion with CSR Committee may contribute in additions of other activities as specified above.

VIII. CSR Implementation and Governance

The CSR Activities may be undertaken directly by the Company itself or with the prior approval of the Board, through any of the following entities as "Implementing Agency" being duly registered with Ministry of Corporate Affairs / Central Government for undertaking CSR Projects and having a unique CSR Registration Number (with effect from 1 April 2021):

- i. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company;
- ii. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government;
- iii. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar CSR activities; or
- iv. Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature

The Board shall conduct due diligence prior to selection of an entity as its implementation agency, to inter alia verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.

The Board may explore the possibility of collaboration with other corporate/ companies / group companies (if any), for undertaking CSR project(s), programme(s) or activity(ies).

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.

IX. Monitoring Mechanism

The CSR Committee shall periodically monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period and shall submit a report to the Board giving status of the CSR Activities undertaken, expenditure incurred and such other details as may be required by the Board;

The Monitoring process adopted by the Company may include obtaining of receipt for contribution under CSR, Utilization Certificate, self-declaration, On-site visit, etc.

The Board shall satisfy itself that the disbursed funds have been utilized for its intended use in consonance with its Annual Action Plan. It can rely on the certificate issued by the Chief Financial Officer of the Company or the person responsible for the financial management to that effect.

X. Geographic Reach

Since JMA exists across India and is engaged in the business on pan India basis, the Company may give preference to the local areas around it where it operates, for spending/contributing the amount earmarked for CSR activities. However, the CSR Committee may identify such areas other than those stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

XI. Reporting of CSR Initiatives

Details of CSR activities undertaken by JMA and amount contributed along with the reasons for contributing the same if any shall also be reported in Annual Report of the Company under the heading Directors Report.

A copy of this CSR Policy along with details of composition of CSR Committee and list of CSR projects approved by the board shall also be placed on website of the Company i.e. www.jmaindia.com in line with the requirement of provisions of the Act and Rules made there under.

XII. Review and Amendment

The CSR Policy will be subject to review and changes, as and when required, only with the approval of the Board of Directors. Any subsequent notification, circular, guidelines or amendments under the Act as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this policy.
