

Type of Document : Policy	Policy Document Number: <i>IL/2014/01/CSR/V-1</i>		
Name of document	Version	Effective Date	Page
Corporate Social Responsibility Policy	First (V-1)		1 (5)
Issued By			
Legal & Secretarial Department			
Approved By			
Chief Finance Officer, Chief Executive Officer & CSR Committee			

Corporate Social Responsibility Policy

VE Commercial Vehicles Limited

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Type of Document : Policy	Policy Document Number: <i>IL/2014/01/CSR/V-1</i>		
Name of document	Version	Effective Date	Page
Corporate Social Responsibility Policy	First (V-1)		2 (5)
Issued By			
Legal & Secretarial Department			
Approved By	Chief Finance Officer, Chief Executive Officer & CSR Committee		

I. Objectives of the Policy

We at VECV aim to create economic value and to actively contribute towards development of a sustainable society by taking up projects for the common good through responsible business practices and good governance.

II. Applicability

1. VECV (hereby referred to as the Company) CSR policy has been developed in consonance to Section 135 of the Companies Act 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.

The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

III Board

The Board of VECV will:

- Approve the CSR policy as formulated by the CSR Committee
- Recommend the amount to be spent by the Company on its CSR activities
- Disclosure in its Annual Report, the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.

As per Section 135, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report. The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

IV CSR Committee

a. Composition of the CSR committee: the Board of directors of the company have already constituted the CSR Committee in their meeting held on 30th April 2014. The committee may invite people involved in the CSR projects or having expertise in the CSR projects for participation in the discussions.

b. The CSR committee of VECV will be responsible for:

- (i) formulating the CSR policy in compliance to Section 135 of the Companies Act 2013

Type of Document : Policy	Policy Document Number: <i>IL/2014/01/CSR/V-1</i>		
Name of document	Version	Effective Date	Page
Corporate Social Responsibility Policy	First (V-1)		3 (5)
Issued By			
Legal & Secretarial Department			
Approved By	Chief Finance Officer, Chief Executive Officer & CSR Committee		

(ii) recommending activities to be undertaken as per Schedule VII of the Companies Act 2013 .

(iii) recommending to Board the CSR expenditure to be incurred.

(iv) recommending to Board, modifications to the CSR policy as and when required.

(v) regularly monitoring the implementation of the CSR policy

V CSR Budget

CSR Committee will recommend the annual project wise expenditure to the Board for its consideration and approval as per the Act.

VI Implementation

The Company's CSR programmes will be identified and implemented according to this policy. The Company will enhance its monitoring and evaluation mechanism so as to ensure every programme has:

- a. Clearly defined objectives.
- b. A progress monitoring system
- c. Impact assessment.
- d. A reporting framework and system aligned to the Act and Rules.

The company will implement its CSR programs on its own or through its various partners including Goodearth Education Foundation and Shroff Eye Hospital. VECV may also collaborate with other partners for undertaking projects or programs in such manner as the Committee may deem fit and upon Board's approval.

VII Monitoring and Reporting Framework

CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews. An authorised person will present annual budgets and list of programmes, projects, and activities to the CSR Committee for its approval. The Committee will in turn recommend such programs, projects and activities to the VECV Board for its final approval. The monitoring and reporting mechanism is divided into three distinct areas:

1. Programme Monitoring:

Type of Document : Policy	Policy Document Number: <i>IL/2014/01/CSR/V-1</i>		
Name of document	Version	Effective Date	Page
Corporate Social Responsibility Policy	First (V-1)		4 (5)
Issued By			
Legal & Secretarial Department			
Approved By			
Chief Finance Officer, Chief Executive Officer & CSR Committee			

2. Evaluation:
3. Reporting and Documentation:

1. **Programme Monitoring**

- a. Programme monitoring mechanism will ensure:
 - The CSR policy is implemented as per the Act and the Rules.
 - The CSR policy is implemented ensuring that all projects/programmes as budgeted are duly carried out
- b. CSR spends will be closely monitored and funds shall be released against verified utilizations as per the approved work plans. This may include monthly field visits, comprehensive documentation, and regular interaction with beneficiary communities.
- c. CSR spends will be audited by the auditors.

2. **Evaluation**

- a. Expected outcomes, outputs and inputs will be clearly defined for each programme as per stated timelines.
- b. There shall be clarity about the need and scope of the programme before evaluations are undertaken.

3. **Documentation and Reporting**

The CSR Committee will prepare the annual CSR report and present for approval of the Board. This report will ensure that CSR projects and programmes are being properly documented.

VIII. Identification of projects

Arising from our objectives, the focus areas that have emerged are Education, Healthcare and Vocational and Technical training.

1. Education

In education, our endeavour is to promote learning and knowledge at every stage by supporting the schools or the organisation engaged in supporting the Schools. The company is already supporting projects of several schools

Type of Document : Policy	Policy Document Number: <i>IL/2014/01/CSR/V-1</i>		
Name of document	Version	Effective Date	Page
Corporate Social Responsibility Policy	First (V-1)		5 (5)
Issued By			
Legal & Secretarial Department			
Approved By	Chief Finance Officer, Chief Executive Officer & CSR Committee		

through Goodearth Education Foundation or in association with other organisations.

2. Healthcare

In healthcare, our goal is to render quality healthcare facilities to people directly or through Hospitals and Medical Institutes or through organisations supporting such Hospitals or institutes. The company is already supporting several projects of Shroff Eye Institute.

3. Special Education/ training

Our goal is to partner with various Institutes across India or directly to familiarize the fresh and existing drivers/ technicians with safe and appropriate training techniques so as to enable them to get employment in the industries. The company is already supporting several Driver training Institutes or technical training institutes in the area of sage driving and technical training.