

TURBO BEARINGS PRIVATE LIMITED

(CIN: U29120GJ1988PTC010777)

Corporate Social Responsibility Policy

(CSR Policy)

1. Preamble

The Company is engaged in manufacturing of Bearings and Parts thereof. The Company is most experienced in this field.

We as a Company are committed to the vision of spreading more wellness in India. Our strategic Corporate Social Responsibility (CSR) initiatives actively work towards the wellness Goals and will help us in constructing reputation for being one of the most socially and environmentally responsible companies in India and Moreover Company falls under the purview of Provision of section 135 of the Companies Act, 2013 related to Corporate Social Responsibility and as such this policy is framed.

Policy will contribute to activities listed in the Schedule VII of Section 135 of the Companies Act, 2013 accordance with rules framed under.

The Board of the Directors of the Company ('Board') has approved this Policy, formulated by the CSR Committee, after taking into account the recommendations by the CSR Committee.

2. Definitions:

(1) In these rules, unless the context otherwise requires,-

- "Act" means the Companies Act, 2013 (18 of 2013);
- "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - (i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
- (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- (ii) 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;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- "International Organisation" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
- "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, 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;
- "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

- "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);
- "section" means a section of the Act.

(2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

3. Purpose

The key purpose of this policy is to:

- Define what CSR means to us and the approach adopted to achieve our *CSR* goals
- Define the kind of projects that will come under the ambit of CSR
- Identify broad areas of intervention in which the company will undertake projects
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate criteria for partner implementation agencies
- Explain the manner in which the surpluses from CSR projects will be treated

4. Policy Statement

The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with the Company's vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create social and environmental impact.

5. Scope of CSR activities in The Company

This policy applies to all our CSR projects and it will be further reviewed and updated.

The Company shall undertake various CSR Activities pursuant to Schedule VII of the Act such as :

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (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 centres 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (v) protection of national 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;
- (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 recognised sports, paralympic sports and olympic sports
- (viii) contribution to the 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 central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) 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
(b) Contributions to public funded 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 Homoeopathy (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).]
- (x) rural development projects
- (xi) slum area development.

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

(xii) disaster management, including relief, rehabilitation and reconstruction activities.]

and various other activities with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

This policy applies to all our CSR projects i.e. ongoing and other than ongoing projects and it will be further reviewed and updated.

6. CSR IMPLEMENTATION

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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 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) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Accordingly, one of the manner of implementation adapted by the Company is VASANI CHARITABLE TRUST- a Registered trust (CSR 1: CSR00005748)

Further,

A Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7 Governance Structure

We have constituted transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 and rules framed thereunder.

7.1 Board-level CSR Committee

At The Company, our CSR governance structure will be headed by the Board level CSR Committee that will oversee for the CSR project undertaken. The Committee will report to our Board of Directors.

7.1.1 Composition of CSR Committee

- Pareshbhai Pratapbhai Vasani – Chairman
- Kiritkumar Tribhovanbhai Solanki - Member
- Pratapbhai Ranchhodbhai Vasani – Member

7.1.2 Meeting, Role, Powers and Responsibilities of CSR Committee:

The Committee will meet at least twice in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Chairman of the Committee when present in the Committee Meeting shall be the Chairman of the meeting. Such other meetings of the Committee can be convened as and when deemed appropriate.

The Committee shall have authority to call such employee(s), senior official(s) and or externals, as it deems fit.

The CSR committee has following powers, authority and responsibilities:

- Formulate and amend, time to time, CSR Policy and recommend the same to the Board of Directors of the Company for approval and adoption;
- Identify and implement the CSR activities on behalf of the company;
- Prepare and allocate budget for CSR activities and get approval of the board of directors of the company for the same;
- Frame projects, to be undertaken by the Company, for fulfilment of CSR obligation and decide about duration of the said project;
- Designate any employee or department, if necessary, for any specific CSR activities;
- Approve sponsorship, hosting of any programme;
- Identifying, approving any institution for tie up for any CSR activities;
- Formulate and recommend Annual Action Plan to Board of Directors of the Company;
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Define and approve terms, conditions for any CSR programme;
- Prepare/Submit periodic report on CSR activities of the company and present the same before the board of directors;
- Ensure all CSR activities are undertaken in the name of company;
- Take such other measure either with or without approval, as the case may be, as necessary to implement the CSR activities, programmes of the company.

- Overall monitoring of CSR projects undertaken and CSR activities carried by the Company

8. Annual Action Plan:

The CSR Committee shall formulate and recommend to the Board an Annual Action Plan in line with CSR Policy, which shall include the following:

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- The manner of execution of such projects or programmes;
- The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes;
- Details of need and impact assessment, if any, for the projects undertaken by the company

The Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

9. CSR Budget

The total budget for the CSR projects will be decided by the CSR Committee and as per provisions of the Companies Act, 2013.

10. CSR Expenditure & Treatment of Surplus and Unspent Amount:

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Further, 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 of Companies Act, 2013, within a period of six months of the expiry of the financial year.

If Company spends an amount in excess of 2% of the average Net Profits of the Company made during the three immediately preceding financial years, then such excess amount may be set off

against the requirement to spend CSR amount up to immediate succeeding three financial years subject to the conditions that:

- the excess amount available for set off shall not include the surplus arising out of the CSR activities.
- the Board of the company shall pass a resolution to that effect,

▪ **Treatment of Unspent Amount:**

If the Company fails to spend the required amount in a particular financial year, the treatment of unspent CSR amount shall be as under:

- a) In case unspent amount not relating to ongoing Project:
 - The Board of Directors in their Annual Report pertaining to that particular Financial Year shall specify the reasons for not spending the amount; and
 - The Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of 6 (Six) months of the expiry of the said financial year.
- b) In case unspent amount relating to any ongoing Project:
 - The Company shall open a special account in any scheduled bank to be called "Unspent Corporate Social Responsibility Account" and transfer such unspent amount, within a period of 30 (Thirty) days, from the end of that financial year to above mentioned account; and
 - Such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3 (Three) financial years from the date of such transfer.
 - If the after completion of third year also the amount remains unspent, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

If the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three consecutive financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

CSR Responsibility Statement

Our Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India and Implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company

Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Act on the subject as may be issued from relevant statutory authorities, from time to time.

**For and on behalf of the Board of,
TURBO BEARING PRIVATE LIMITED**



**Pareshbhai Pratapbhai Vasani
Managing Director
(DIN: 00384281)**