

**Toyota Kirloskar Auto Parts  
CSR Policy 2015-16**

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## **1. Short Title & Applicability:**

- 1.1. The Corporate Social Responsibility policy of the Company encompasses its philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. The Corporate Social Responsibility policy of the Company is titled as the '**TKAP CSR Policy**'.
- 1.2. This policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different segments of the society, and as prescribed under Schedule VII of the Companies Act, 2013 and rules thereunder.

## **2. CSR Vision Statement & Objective:**

We, at Toyota Kirloskar Auto Parts Private Limited (TKAP) is constantly working and committed towards a wide range of social contribution activities that benefit local community, focusing its efforts on social welfare and environmental conservation.

Company takes initiative to contribute to harmonious and sustainable development of society and the earth through all business activities that we carry out in the local area, based on our Guiding Principles of TOYOTA.

## **3. OBJECTIVES OF TKAP CSR POLICY:**

1. To ensure to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of its local community.
2. To directly or indirectly take up need based programmes that benefit the community in and around its geographical location and enhance its quality of life and well being of local populace.
3. To generate, through CSR initiatives, a community goodwill for TKAP and help reinforce a positive and socially responsible image of TKAP as a corporate entity.

In order to contribute to sustainable development, we believe that management interacting with its stakeholders is of considerable importance, and we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication (**Chapter III of Toyota Code of Conduct**).

#### **4. Role of the Board of Directors:**

1. To approve CSR Policy recommended by the CSR Committee and disclose the contents of the policy in annual Directors' Report.
2. Display relevant details in company website.
3. Directors' Report to disclose of CSR Committee composition.
4. Directors Report also to disclose reasons in case the specified amount is not spent.
5. Ensure implementation of CSR activities as per the policy.
6. To ensure 2 percent spending on CSR activities (annual spending: minimum 2% of average net profits during 3 preceding financial years).
7. To report CSR activities in Board of Directors Report and disclose non-compliance (if any) with the CSR provisions, as per the format prescribed by the Ministry of Corporate Affairs.

#### **5. Responsibilities of CSR Committee:**

In accordance with the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, following are the key responsibilities of the CSR Committee. It shall:

- a) Formulate the CSR policy and recommend the same to the Board for its approval;
- b) Be responsible for identification, selection, approval, planning, execution, supervision, coordination and monitoring of various programmes/projects and activities under CSR;
- c) Recommend the CSR activities/projects and the amount to be expended on such activities/projects, to the Board during the relevant financial year
- d) Monitor the implementation of the CSR activities/projects from time to time
- e) Institute a transparent monitoring mechanism for implementation of the projects/programmes/activities undertaken or proposed to be undertaken by the Company;
- f) Provide "Responsibility Statement" in the Annual Report, stating that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the Company.

#### **6. Company's approach towards CSR:**

The approach of the Company would be oriented to identify the activities in response to the social needs in the surrounding areas and to implement them with full involvement and commitment in a time bound manner.

#### **7. Activities under CSR:**

The Company would endeavour to adopt an integrated approach to address the community, societal and environmental concerns by taking up a range of the following activities, which shall be taken up strategically, in a focused manner to the extent possible and allowed as per Section 135 of the Companies Act, 2013 and the applicable

rules and regulations as may be prescribed in this regard, including any modification(s) thereof.

**Preference will be given to local area and areas around it where it operates for spending the amounts earmarked for CSR activities.**

#### **8. CSR Committee:**

For effectively carrying out the CSR activities, the Company constituted the “Corporate Social Responsibility Committee” (the “CSR Committee”) of the Board as per the provisions mentioned under the Companies Act, 2013 read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, to ensure that the purpose of this Policy is being effectively served.

For the financial year 2015-16, the composition of the CSR Committee is as follows:

1. Mr. Yuji Hiraoka, Managing Director as Chairman of CSR Committee
2. Mr. Vikram S Kirloskar, Vice Chairman as Member.
3. Mr. Mr. K G Mohan Kumar, Deputy Managing Director as Member.
4. Mr. Tsutomu Kato, Whole-time Director as Member.
5. Mr. Hiroyasu Tsubouchi, Whole-time Director as Member.
6. Mr. Shekar Viswanathan, Executive Vice Chairman, TKM as Advisor

#### **8. CSR Budget**

- a) All expenditures for the project/program related to CSR activities will be approved by the board.
- b) The CSR budget will be calculated in line with Section 135 of the Companies Act, 2013 and the CSR Rules thereof.
- c) As a part of the annual budget CSR allocation, provision will be made towards the various expenditure heads, year on year basis.
- d) The CSR Committee shall be responsible to maintain a record of the expenditure of each project, program and activity of CSR.

#### **9. Meeting duration & quorum:**

The Committee shall meet once in three months or need based, as deemed appropriate. The quorum for the Committee shall be 2 members who shall be present for the meeting proceedings. The committee members may attend the meeting physically or via such audio-visual means as permitted under the Companies Act. The Committee shall have the authority to call such employees, senior officials and consultants and advisors, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

The Managing Director would have the power to make any changes in the constitution of the CSR Committee composition. The CSR Committee will be assisted by the CSR and Legal Sections.