

# **DAVI ENGINEERING PRIVATE LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. Introduction and Background of the Company**

We, DAVI ENGINEERING PRIVATE LIMITED are certified manufacturing unit founded in September 1996, situated in Bhosari region, the industrial hub of Pune. Our aim from beginning is to provide quality machining solutions to different clients with varied requirements with qualified technicians and engineers. We believe in Multi- skilling to our employees to enable them to adapt and work on a variety of components. A customized solution isn't a feature but an integral part of work for us. We understand the client requirements in minute detail and strive to provide a perfection that is unparallel in their field of work. With Conformance Quality & Performance Quality and Product Reliability and Support, we named to be believed in and approached for customized machining solutions. We have business ethics, trust & long term relationship with our existing Customers, proving our trustworthiness and our capability to supply quality products.

Our mission is to be leader in providing machining solution to our customer whereby meeting their regular requirements and extend our self to Development & Value Engineering. With our targeted customer being tractor, transmission, hydraulic and LCV manufacturers. We believe in updating our technological knowledge with the current industry trends and have achieved success with their team of highly skilled personnel and modern machinery. understand the need for precision at all times and strive to do just that. We aim to increase market share and to have a stronger presence in a targeted market. We also aim to expand and divest by Backward Integration i.e. be Self-reliant in Forging & VMC. We strive to optimize & reduce Development Time & Cost by having in house Design & Manufacturing Capability for Fixtures. Davi Engineering also intends to be Cost Leaders for each product manufactured by them, by optimizing Raw Material, Suppliers & Technology.

As a responsible human organization, we are committed towards the above objective and are keen on developing a sustainable business model to ensure and activate our future growth drivers. We have been contributing to the societal wealth creation for the last several years irrespective of any regulatory compulsions as a realization of our above belief. In line with the regulatory expectations, we are putting in place a formal policy as a guide towards our social commitment going forward.

### **2. Objective of the CSR Policy**

The objective of this policy is to -

Promote a unified and strategic approach to CSR across the Company by incorporating under one 'umbrella' the diverse range of its philanthropic giving, identifying select constituencies and causes to work with, thereby ensuring a high social impact.

To lay down the guiding Principles in undertaking various programs and projects by or on behalf of the Company relating to Corporate Social Responsibility ("CSR") within the meaning of section 135 of the Companies Act, 2013 read with schedule VII of the Act and the CSR Policy Rules 2014. ("Rules").

Ensure an increased commitment at all levels in the organisation, by encouraging employees to participate in the Company's CSR and give back to society in an organised manner through the employee volunteering programme.

### **3. Scope and Applicability**

The scope of the CSR policy is to lay down the guiding principles to enable Board of Directors to determine the amount of money to be earmarked for the CSR expenditure in any financial year, the activities for which the amount has to be spent and allocation of funds among various CSR expenditure the geographical areas where the CSR activities are to be undertaken, priority for

certain CSR activities over other CSR activities, timings of the expenditure, periodicity of reporting. The policy is applicable to Davi Engineering Private Limited.

The policy is to be read in alignment with the requirements of Section 135 of the Companies Act, 2013 (the Act) and the corresponding rules made thereunder, as amended from time to time ('CSR Rules'), Schedule VII of the Act.

#### **4. Policy Statement**

##### **4.1 CSR Vision Statement & Ideology**

Our redefined 'Core Purpose' is to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world. In line with our Core purpose, our CSR vision is to focus our efforts within the constituencies of girls, youth & poor by innovatively supporting them through programs designed in the domains of education, health and environment, while harnessing the power of technology. By investing our CSR efforts in these critical constituencies who contribute to nation building and the economy, we will enable our stakeholders and communities to grow.

For **DAVI ENGINEERING PRIVATE LIMITED**, responsible business practices include being responsible for our business processes, products, engaging in responsible relations with employees, customers and the community. Hence for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances and creates social and environmental value for our key stakeholders.

##### **4.2 Total Outlay**

Only when the CSR provisions are applicable to the Company, the Company shall spend in that financial year at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the CSR Policy. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The administrative overheads not to exceed 5% of total CSR expenditure of the Company for the financial year relating to the general management and administration of CSR functions in the company.

Where the Company spends an amount in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under section 135(5) up to immediate succeeding three financial years subject to the certain conditions.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year

##### **4.3 CSR Thrust Areas**

The Company will focus its efforts within the constituencies of girls, youth & poor through programs designed in the domains of education, health and environment. The Company may also make contributions to its Corporate Foundations/Trusts towards its corpus for projects approved by the CSR Committee/Board.

Our commitment to CSR will be manifested by investing resources in any of the following areas specified in Schedule VII of the Companies Act 2013 as amended from time to time along with General Circulars as and when issued by the MCA:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 widow;

(vii) Training to promote rural sports, nationally recognized 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 Organization (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.

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

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the company.

#### **4.4 Implementation**

The CSR Committee/Board shall be responsible for monitoring the CSR Policy from time to time and decide the projects or programs to be undertaken, the modalities of execution and implementation schedule from time to time.

Further for Composition of CSR Committee – It is not applicable as total spending on CSR does not exceed Rs. Fifty Lakhs .

The CSR Committee/Board will also evaluate projects submitted directly by reputed nonprofit organizations having an established track record of at least 3 years in carrying on the specific activity. To ensure that there is focus and maximum impact it will endeavor to work on fewer projects over a longer period of time so as to ensure that the outcomes of the projects can be measured.

#### **4.5 Monitoring process of CSR activities**

The CSR Committee/Board will convene to review the progress of varied CSR projects in terms of both outcome assessment and financial monitoring. The CSR Committee/Board will review the strategy from time to time and may choose new focus areas and projects as and when required. In addition, the CSR Committee/Board will mandate the effective and timely monitoring and evaluation of varied CSR projects by directing its CSR department or a third-party independent agency to carry out situational analysis, need assessment surveys, project visits, or impact studies, etc if and as required especially for the strategic and high value CSR programmes.

In order to ensure transparency and communication with all stakeholders, the CSR Policy will be uploaded on the Company website so that it is available in the public domain.

#### **4.6 Executing Agency / Partners**

CSR initiatives will be implemented either directly by the company where the employees will directly implement the CSR programs or through-

- a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 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, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The activities will be undertaken by the Company with the above-mentioned entities only if they are registered with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021. The Company may also collaborate with other companies to undertake CSR projects or programs, provided the CSR Committees/Board of the respective companies are in a position to report separately on such projects or programmes.