



Bussan Auto Finance India Pvt. Ltd.

【 Registered & Head Office 】

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Corporate Social Responsibility Policy

Date of Approval: December 11, 2014

Recommended by: CSR Committee

Approving Authority: Board of Directors

Effective Date: December 11, 2014

PREAMBLE

With the promulgation of the Companies Act, 2013 (Act) on September 2013 and the notification of Section 135 of the Act read with in Schedule VII to the Act, dealing with the aspect of corporate social responsibility as also of the Rules laid down to such effect to the Act, which have come into force on the 1st day of April, 2014 (the **CSR Rules**), it has become mandatory for the corporate entities falling with the purview of the limits as to Networth, Turnover or Profitability as laid down in the said section read with the CSR Rules, to undertake any one or more of the activities as laid down thereunder, towards the discharge of their responsibility towards the society in general (the “**Corporate Social Responsibility**” or briefly “**CSR**”). The Company being a corporate entity falling within the purview of Section 135 of the Act read with CSR Rules, the Committee constituted by the Board of Directors of the Company (“**Board**”), has in exercise of its authority and discharge of its responsibility, formulated a CSR Policy, which has been approved by the Board as the **Corporate Social Responsibility Policy** of the Company, elaborated as under:

SHORT TITLE & APPLICABILITY

This policy, which encompasses Company 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, is termed as the “**BAF India CSR Policy**”. This policy shall apply to all CSR initiatives and activities taken up at the various locations of the Company.



1

OBJECTIVE

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for BAF India to undertake and fulfill its corporate social responsibility. The Policy will function as a built-in, self regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms.

ROLE OF THE COMMITTEE

The Committee shall carry out of the following functions:

- a) Recommend the CSR Policy to the Board;
- b) Identify the projects/activities to be undertaken by the Company for CSR
- c) Recommend to the Board CSR Activities to be undertaken along with detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- d) Monitor the CSR Policy of the Company from time to time;
- e) Ensure compliance of CSR Policy and the Rules;
- f) Such other functions as may be delegated and/or assigned by the Board from time to time.

CSR THRUST AREAS;

BAF India shall identify any one or more of the following areas for its CSR activities:

- a) Enhancing environmental and natural capital;
- b) Supporting rural development;
- c) Promoting education;
- d) Providing preventive healthcare;
- e) Creating livelihoods for people, especially those from disadvantaged sections of society.
- f) Any such other matter as mentioned in Schedule VII of the Act read with rules as amended from time to time

Preference shall be given to local area and areas around BAF India for spending the amount earmarked for CSR.



QUANTUM OF AMOUNT TO BE SPENT ON CSR ACTIVITIES

- a) The Company shall strive to spend in every financial year at least 2% (two percent) of the average net profits of the Company calculated as per Act made during the three immediately preceding financial years.
- b) Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

IMPLEMENTATION OF CSR ACTIVITIES

- a) The Company may undertake CSR Activities through a registered trust or society or any company, established by the Company, its holding or subsidiary company under Section 8 of the Act for such non-for-profit objectives.
- b) Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities through a valid legal binding contract.
- c) The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "Rules").
- d) The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.
- e) The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.

PROCEDURE FOR CSR ACTIVITIES

- a) The Committee shall recommend the Board suitable CSR programs/activities to be undertaken during the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities; These program specification will be separately detailed as and when the projects are assessed and deemed fit by the CSR working committee, will be further recommended to the CSR Committee for final approval to the Board as a separate annexure.
- b) The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
- c) The Committee, after approval, shall submit the half-yearly report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.



MONITORING AND FEEDBACK

To ensure effective implementation of the CSR programmes undertaken at each location, a monitoring mechanism (by whatever name called viz. BAF India CSR Working Committee) will be put in place by the Managing Director of the Company. The progress of CSR programmes under implementation will be reported to corporate office on a monthly/quarterly basis.

CSR initiatives of BAF India will be reported in the Annual Report of the Company in compliance with Section 135 and rules made there under.

GENERAL

Any term or aspect not specifically defined or set out in this Policy shall be construed to mean what is laid down in respect thereof under the Act or the CSR Rules.

For Bussan Auto Finance India Private Limited


Keiichi Yoshimura
Managing Director

