

### **Introduction:**

JCB India initiated its corporate social responsibility intervention in the latter half of 2000 by supporting school children in a government school close to its Ballabgarh factory. As the company celebrates its 2 decades of CSR work on the ground, this paper outlines the company's present CSR outreach in alignment to Schedule VII, Section 135 of the Indian Companies Act and all related amendments. It is implemented through the following projects:

1. **Creating a better quality of life for vulnerable communities (Implemented through the Lady Bamford Charitable Trust (Registered as a Trust under the Indian Trusts Act)**
2. Revival, preservation and support for traditional Indian heritage and crafts through the Lady Bamford Foundation (Registered as a Section 8 Company under The Companies Act 2013.)
3. **Creating an environment to advance art and diversity of literature in India (Implemented through the JCB Literature Foundation (Registered as a Section 8 Company under The Companies Act 2013.)**
4. **Enhancing efficiency of social and economic welfare interventions (Implemented through projects directly by the company)**

### **Programme and Implementation Overview:**

For all projects and programmes, the community sits at the centre. Our projects are implemented with the objective of making these communities green, equal, resilient and diverse.

1. **Creating a better quality of life for vulnerable communities works with the and through the following 3 verticals in communities in the hinterland of the JCB Group factories in Ballabgarh, Pune, Jaipur and Vadodara (Halol). These have been commonly known by the stakeholders as the '3Es':**
  - Education vertical – with the objective of universal access to quality education for children from vulnerable communities
  - Employable Skills vertical – with the objective of providing comprehensive support for certified employable skills and income enhancement.

- Engagement with Community – with the objective of strengthening social and infrastructure systems within communities.
2. **Revival, preservation and support for traditional Indian heritage and crafts through the Lady Bamford Foundation** (Registered as a Section 8 Company under The Companies Act 2013.) These are implemented through the following four verticals:
- Sustainable Craft Ecosystems & Artisan Outreach – For an overall improvement in value chain, economic, environmental and social responsibility within the industry at large.
  - Research, Documentation & Archiving - To advocate promote and support explorations in craft and design, to create archives and repositories of wisdom open for public access.
  - Heritage, Arts and Culture Support – To promote and develop arts, crafts, design development and skills in order to protect national heritage, art and culture.
  - Knowledge Sharing – For the purpose of promoting, creating awareness and positioning craft and the artisan communities as important components of the living heritage of our country through
3. **Creating an environment to advance art and diversity of literature in India works** to promote the heritage and diversity of Indian literature with a focus on the vernacular through the following verticals:
- An annual award for contemporary Indian fiction
  - Enhancing the prestige and success of contemporary Indian literature
  - Research on the reading culture and publishing sector in India
  - Strengthening the translation industry through skill enhancement
  - Access to literature for vulnerable groups
4. **Enhancing efficiency of social and economic welfare interventions** including support and strengthen local infrastructure and governance, creation and maintenance of green spaces, contributions to emergency relief and rehabilitation, and any other projects that provide service delivery for social and economic welfare interventions,

**Need for undertaking the projects and project execution:**

In the projected year, all CSR projects will be implemented through the above mentioned 4 projects. The projects will continue their objectives but revise targets and delivery mechanisms as per the LFAs.

All projects will follow the Logical Framework Analysis (LFA: [https://en.wikipedia.org/wiki/Logical\\_framework\\_approach](https://en.wikipedia.org/wiki/Logical_framework_approach)) for formulation and management of projects.

The LFAs for all 3 projects implemented through the in-house foundations are completed as per the timeline below. The timeline for the comprehensive and integrated way ahead is as follows:

Project execution	Year 1, 2021-22				Year 2 - 2022-23				Year 3 - 2023-24				Year 4 - 2024-25			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Completing LFAs for all non LFA projects	█	█														
Completing revisions of the existing LFAs required due to COVID impact	█	█														
Project implementation			█	█	█	█	█	█	█	█	█	█	█	█		
Project impact assessment																█
Project closure process																█
Design and development of the next 3 years LFA																█

All projects implemented through the CSR entities will follow implementation schedules of the approved LFAs. Till such time as the approved LFA is ready for implementation, (as per above schedule, on or before 30<sup>th</sup> September 2021) all existing projects will continue with post COVID rehabilitation work.

All projects to be implemented through JCBI Direct partnerships will develop their own LFAs.

Each project will work as per its overall LFA project mandates but will apply for and receive annual approvals for project continuation, project revisions if any and budgets.



All projects, LFAs, CSR compliances and CSR entities will be managed by the CSR team of JCBI, working directly downwards with the entity staff and reporting upwards

to the EVP HR, Admin and CSR and the project's stakeholders/Trustees/Board Members/CSR Committee.

All projects implemented through JCBI Direct will be managed by the CSR team of JCBI working directly downwards with the selected partner and reporting upwards to the EVP HR, Admin and CSR and to the CSR Committee

### **Modalities of fund utilisation:**

The budgets proposed for the above interventions for the next year – 2022-23 are as below.

 <b>Proposed CSR budgets for FY 2022-23</b> 					
Proposed CSR Budget Allocation for FY 2022-23 (All values in Rs. Million)					
Funds	CSR Projects				Total
	Creating an environment to advance art and diversity of literature in India (Implemented through the JCBLF)	Revival and consolidation of traditional Indian heritage and craft (Implemented through the LBF)	Creating a better quality of life for vulnerable communities (implemented through the LBCT)	Enhancing project efficiency for social and economic welfare interventions (Implemented by JCBI Direct)	
1. CSR Underspends from previous years	14.9	64.9	65.2	36.1	181.1
2. CSR Funds (estimated) 2022-23	53.7	140.0	104.2	48.5	346.4
<b>Total</b>	<b>68.6</b>	<b>204.9</b>	<b>169.4</b>	<b>84.6</b>	<b>527.5</b>
CSR Underspends –					
20-21 to be spent in 22-23	0.0	0.00	32.6	0.0	32.6
21-22 to be spent in 22-23	7.5	32.5	0.0	18.1	58.1
CSR Underspends					
20-21 to be spent in 23-24	0.0	0.0	32.6	0.0	32.6
21-22 to be spent in 23-24	7.4	32.4	0.0	18.0	57.8
<b>Total</b>	<b>14.9</b>	<b>64.9</b>	<b>65.2</b>	<b>36.1</b>	<b>181.1</b>

Funds will be disbursed to the three CSR projects through monthly fund requests sent in by the project teams as per the LFAs adjusted against the existing fund utilisation.

Funds to projects under JCBI direct implementation will be disbursed as per their specific project plans and similarly adjusted against existing fund utilisation.

The donor will undertake quarterly expenditure reviews by a joint team of finance and CSR. This team will jointly set targets of fund utilisation quality control and work with the project teams to ensure fund utilisation for optimum impact.

Annual statutory audits and project wise internal audits will be undertaken by the donor.

All expenditure will follow a delegation of authority (DoA) that will be set in place as a standard operating procedure. The existing DoA will be reviewed and revised by Finance and the CSR team, based on an analysis of transactions and project requirements. This will be presented to the Trustees and Board Members and

approved by this body. This DOA will be reviewed on an annual basis by the proposing team and approved/re-approved by the Trustees and Board also on an annual basis.

**Monitoring and reporting mechanism:**

This mechanism will include monitoring and evaluation (M&E) of projects as mandated by the approved LFA, impact assessments as required, all monthly quarterly, bi-annual and annual reports as mandated by the CSR framework.

The above mechanism will be run through an internal “M&E vertical” with resources drawn from the project staff. These will be staff who bring with them the required competency of undertaking such activities. They will undertake this in addition to their project delivery roles.

Further each project manager will retain direct responsibility of collecting, collating and providing on time M&E data to the M&E vertical. Cross entity and cross project reviews, process audits and impact assessments will also be undertaken to consolidate project efficiency and learning.

All the above data will also feed into a “Knowledge Management” vertical. This too will be an internal vertical structured like the M&E vertical. This Knowledge Management vertical will run annual cycles of working with project teams to incorporate project level learning as well as sectoral best practices into the next year’s activities and budgets.

The above remains a dynamic document and will be reviewed and revised on an annual basis and/or to align with legal amendments and/or any revisions that the board deems fit for purpose.

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