



PPAP AUTOMOTIVE LIMITED
(Formerly Precision Pipes and Profiles Company Limited)

CORPORATE SOCIAL RESPONSIBILITY POLICY

PHILOSOPHY

Corporate Social Responsibility is strongly connected with the principle of sustainability. An organization should take decisions based not only on financial factors, but also by duly considering the social and environmental consequences. As a responsible corporate citizen, we try to contribute to social and environmental causes on a regular basis by providing food, clothing, etc. to the needy and by keeping the environment clean and safe for the society. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which, it operates.

CSR VISION

1. Develop meaningful and effective strategies for engaging with all stakeholders;
2. Consult local communities to identify effective and culturally appropriate development goals;
3. Partner with credible organizations like trusts, foundations etc. including non-government organizations for social causes;
4. Ensure efficient use of energy and environment friendly technologies.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Keeping in line with Section 135 of the Companies Act, 2013 (hereinafter referred to as "the Act"), the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee (hereinafter referred to as the "CSR Committee") headed by an Independent Director, to *inter alia*, carry out the following functions:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken in line with Section 135 read with Schedule VII of the Act;
- b) recommend to the Board the CSR projects / activities to be undertaken by the Company;
- c) recommend to the Board the amount of expenditure to be incurred on the CSR projects / activities; and
- d) monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Committee shall meet at least twice a year, or as and when, deemed necessary.

LIST OF CSR ACTIVITIES / PROJECTS

The Company shall undertake any of the following Activities/Projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time, as a part of the Corporate Social Responsibility ("CSR"):

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

- ii. Promoting education, including special education and employment, enhancing vocation skills especially among children, women, elderly, specially disabled, 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 centers 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art and setting up public libraries;
- vi. promotion and development of traditional arts and handicrafts;
- vii. Measures for the benefit of armed forces veterans, war widows and their dependents;
- viii. Training to promote rural sports, nationally recognized sports, Paralympics and Olympic sports;
- ix. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central government for socio-economic development, relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- x. Contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- xi. Rural development projects;
- xii. Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time. (Collectively hereinafter referred to as "CSR Activities")

QUANTUM OF AMOUNT TO BE SPENT ON CSR ACTIVITIES

- i. For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, the Company will allocate 2% of its average net profits made during three immediately preceding financial years, as its Annual CSR Budget.
- ii. Any income arising therefrom.
- iii. 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 CSR activities only.

PROCEDURE FOR CSR ACTIVITIES

- i. The Committee shall recommend to the Board, suitable CSR Activities to be undertaken during the financial year along with the detailed plan and amount to be incurred on such activities;
- ii. The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
- iii. The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, expenditure incurred and such other details, as may be required by the Board.

MONITORING AND REPORTING FRAMEWORK

Project Monitoring:

The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR program has:

- i. Clear objectives developed out of the societal needs that are determined through baselines studies and research.
- ii. Clear targets, time lines and measurable parameters, wherever possible.
- iii. A progress monitoring and reporting framework that is aligned with the requirements of the Section 135 of the Act and the CSR Rules.

The CSR Program monitoring mechanism will ensure:

- The CSR policy is implemented as per the Act, and the CSR Rules.
- The CSR policy is implemented ensuring that all projects/programs, as budgeted, are duly carried out.

The Board shall seek a short progress report from the CSR Committee, on a half yearly basis.

Reporting:

The Company will ensure CSR reporting annually in the format recommended in the CSR rules, as part of its annual report.

Further, any or all the provisions of the CSR Policy would be subject to revision / amendment by the Board of Directors of the Company, on the recommendations of the CSR Committee or else in accordance with the guidelines on the subject, as may be issued, from time to time.