



PPAP AUTOMOTIVE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

PHILOSOPHY

Corporate Social Responsibility (CSR) 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 and rules made thereunder (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:

- 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 widows;
- vii. training to promote rural sports, nationally recognised 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 Organisation (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;

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- xii. disaster management, including relief, rehabilitation and reconstruction activities; and
- xiii. 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.

QUANTUM OF AMOUNT TO BE SPENT ON CSR ACTIVITIES

- i. For achieving its CSR objectives through implementation of meaningful & sustainable CSR projects or programmes, the Company will allocate 2% of its average net profits made during three immediately preceding financial years, as its Annual CSR Budget.
- ii. 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 CSR Committee shall recommend to the Board, annual action plan in pursuance to corporate social responsibility initiatives to be undertaken by the Company The broad parameters of annual action plan includes:
 - a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b) the manner of execution of such projects or programmes;
 - c) the modalities of utilisation of funds and implementation schedules for the CSR projects or programmes;
 - d) monitoring and reporting mechanism for the CSR projects or programmes; and
 - e) details of need and impact assessment, if any, for the CSR projects undertaken by the company.
- ii. The Board shall give its approval based on the recommendation of the Committee and in compliance with CSR Policy;

MONITORING AND REPORTING FRAMEWORK

Project Monitoring:

The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project or programme 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.

The CSR projects or programmes monitoring mechanism will ensure:

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

The CSR committee shall review CSR projects on a half yearly basis.

Reporting:

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

In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the CSR policy and the provisions in the CSR policy would be modified in due course to make it consistent with law.