

**CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
PERFECT ALLOY COMPONENTS PRIVATE
LIMITED**



PERFECT ALLOY COMPONENTS PRIVATE LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

I. BACKGROUND

Corporate Social Responsibility (CSR) embodies the various initiatives and programs of PERFECT ALLOY COMPONENTS PRIVATE LIMITED (“**PAC or Company**”) in the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company to contribute towards economic and social development and growth.

II. OBJECTIVE

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the Rules made thereunder. The Company will undertake CSR activities specified in Schedule VII to the Companies Act, 2013 (**Annexure - A**).

III. CONSTITUTION OF CSR COMMITTEE

The Board of Directors of the Company has constituted a CSR Committee.

The members of the CSR committee are as follows:

1. Mr. B C Nanjunda Setty – Chairman
(Director of PAC, holding DIN-00723970)
2. Mr. H V Subramanya – Member
(Director of PAC, holding DIN-01721809)
3. Mr. V K Divekar – Member
(Director of PAC, holding DIN-01300968)

The Board of Directors of the Company, by passing a Board Resolution in their meeting, may alter the constitution of the CSR Committee, if required.

IV. QUORUM

A quorum shall be two members. A duly convened meeting of the CSR Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretion vested in or exercisable by the CSR committee.

V. FREQUENCY OF MEETINGS

Meeting shall be held at such time as the CSR committee deems appropriate, and in any event shall be held not less than once in a year.

VI. ROLE OF CSR COMMITTEE

The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- Recommendation of the project/programme to be undertaken within the long term vision and strategy of the Company in respect of CSR activities, amount of expenditure to be incurred, type of activities, roles and responsibilities of various stakeholders, take appropriate initiatives for the implementation of CSR activities, etc.,
- Formulation of a monitoring mechanism for ensuring implementation of the projects/programme undertaken or the end use of the amount spent by it towards CSR activities.

VII. ROLE OF BOARD OF DIRECTORS

The role of the Board with respect to CSR is as under:

- Review the recommendations in respect of the annual budget for CSR;
- Disclose contents of the policy in the Company's report/ website; and
- Ensure that the Company spends in every financial year, at least two percent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities.

VIII. DISBURSEMENT OF CSR AMOUNT

The Company may undertake CSR activities on its own or by pooling the resources into other registered trust, non-profit organizations (NGOs) or a combination thereof. CSR Team [Whether Internal or Other Trust / NGO] will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.

CSR Team will, after evaluating proposals received under the CSR Activities, make its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

CSR Team will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee periodically. The CSR Committee will decide on the budget allocation for CSR Projects and Programs and the installments for disbursement of the amount.

The contribution will be made for any activities undertaken within India. The Committee will give preference to the local area and areas around it where it operates in spending the amount earmarked for CSR activities.

Surplus, if any, arising out of the CSR activities will be utilized for the benefit of the community.

IX. PARTNERING ORGANISATIONS

While undertaking any project or program with other partnering organizations, the Company will undertake due diligence to evaluate the NGO's reputation, track record, capacity, and competency, including organization structure, requisite permits and licenses, presence in the desired geography, and compatibility with the Group CSR Policy.

X. PROCESS FOR UNDERTAKING CSR ACTIVITIES/ PROJECTS THROUGH PARTNERING NGOs

The following procedure will be adhered to while undertaking/funding CSR activities/projects through NGOs:

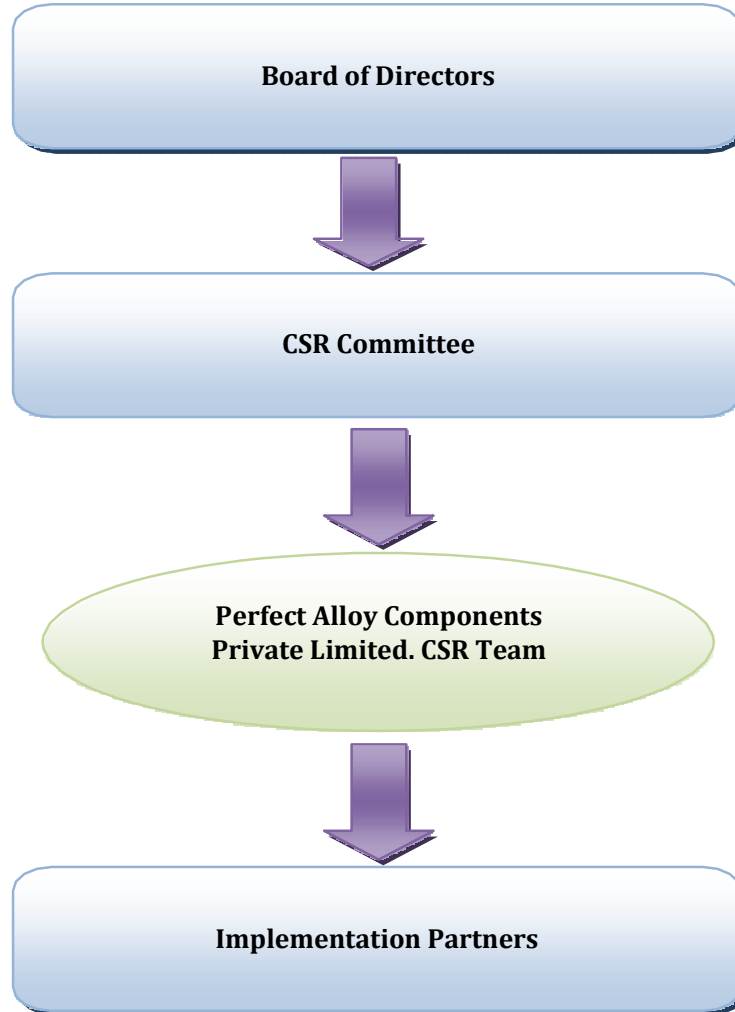
- Presentation of Project/program details.
- The NGO shall have a minimum track record of three years.
- CSR Committee may enlist the key roles and responsibilities of each of the parties for a specified project.
- Scheduling of disbursements of funds relating to the program and monitoring system in accordance with pre-agreed milestones with partners.
- The Committee, while making any contribution, will specify the activities for which it is made and the amount for the same.

XI. Implementation

- CSR program will be undertaken by the Company within the defined ambit of Base Line Survey and Need Assessment (if deemed necessary by the Company)
- The time period/duration over which a particular program will be spread will depend on its nature, the extent of coverage, and the intended impact of the program.
- The Company may enter into partnerships with the government, business partners, and communities to create a multiplier effect of its social projects.
- The mode of implementation of CSR programs may include a combination of direct implementation and implementation through registered trust/foundation/society/Section 8 Companies set up by the Company or others and partners such as NGOs, business partners, registered societies etc. The Company will select its partners after appropriate due diligence.
- The Company may use the services of expert agencies, consultancy firms etc., wherever required for carrying out baseline surveys, guidance on project design and implementation, impact assessment surveys etc.

- The teams responsible for implementing the various CSR projects are mentioned in the section on the Governance Structure of the Policy.

XII. CSR Governance Structure



XIII. MONITORING

CSR Committee will institute a transparent monitoring mechanism for the implementation of CSR projects or programs undertaken by the Company or through NGOs. The Company will create a well-defined monitoring and evaluation mechanism to ensure that each CSR program has:

1. Clear objectives developed out of the societal needs that are determined through baselines studies and research;
2. Clear targets, timelines, and measurable parameters wherever possible;
3. A progress monitoring and reporting framework that is aligned with the requirements of section 135 of the Companies Act and the CSR Rules;

XIV. VOLUNTEERING

The Company will encourage and enable employees and other stakeholders to participate in the projects supported by it through Employee Volunteering Programmes (EVP).

XV. DISSEMINATION OF INFORMATION

The CSR Committee will report to the Board of Perfect Alloy Components Private Limited from time to time on the status of the CSR projects/activities undertaken by it, along with the report on the impact created by such projects/activities.

The Company would upload this policy on its website, **www.perfectalloy.in**. A detailed status report on the CSR activities carried out by Perfect Alloy Components Private Limited will be disclosed every year as part of the Director's Report in the Annual Report.

The CSR activities of the Company should be visible through newsletters, websites, press releases, and Director's Annual Report (as an integral part of the business) articulated on major occasions and employee/shareholder/dealer meetings.

Annexure - A

Activities relating to:-

- (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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) Education for children with disability: There has been inadequate focus on education for children with disability, especially those from disadvantaged backgrounds, Company will expand and strengthen our focus in this space.
- (iv) 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;
- (v) 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (vi) 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;
- (vii) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (viii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- (ix) Contribution to the prime minister's national relief 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;
- (x) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Govt.;
- (xi) Rural development projects;
- (xii) Slum area development;
