



## PRABHA AUTOMOTIVE ENGINEERS LIMITED (PAEL)

### CORPORATE SOCIAL RESPONSIBILITY

#### **INTRODUCTION**

Corporate Social Responsibility (CSR) is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Prabha Automotive Engineers Limited. in India is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related Rules.

Prabha Automotive Engineers commits itself to contribute to the society in ways possible for the organization, as a means for fulfilling this commitment.

#### **AIMS & OBJECTIVES**

- To develop a long-term vision and strategy for Prabha Automotive Engineers CSR objectives.
- Establish relevance of potential CSR activities to Prabha Automotive Engineers core business and create an overview of activities to be undertaken, in line with Schedule VII of the Companies Act, 2013.

#### **Prabha Automotive Engineers shall promote CSR activities that are for**

- Promotion of education especially among children and the differently abled including:
  1. Supporting schools with infrastructure like benches, toilets, potable water, fans etc.
  2. Supporting schools with equipment related to science and technology Supporting children for higher education.
  3. Supporting physically and mentally challenged children for their education and food.
- Promoting gender equality and empowering women including:
  1. Adult literacy for women.
  2. Training in vocations pursued by women.
  3. Supporting old-age homes & other facilities for senior citizens and adopting measures for reducing inequalities faced by socially and economically back ward groups
- Rural Development:
  1. Strengthen rural areas by improving drinking water facility, sanitation, power and livelihood, thereby creating sustainable villages.
- Promoting various sports activities
  1. Training to promote rural sports, nationally recognised sports and para-olympic sports.
- Contribution and Financial Assistance
  1. Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio- economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.



## **CSR COMMITTEE**

CSR Committee shall be formed as per the applicable laws and the committee shall be responsible for the implementation/monitoring and review of this policy and various projects/activities undertaken under the policy. The CSR Committee shall submit periodical reports to the board of directors.

## **CSR FUND**

The committee shall endeavour to spend 2% of the average net profit during the preceding 3 financial years on CSR activities as enumerated above.

## **DUTIES & RESPONSIBILITIES OF CSR COMMITTEE**

1. Formulate and recommend to the Board the CSR activities/programs to be undertaken by Prabha Automotive Engineers.
2. Recommend to the Board the CSR Expenditure to be incurred on the CSR activities/programs.
3. Institute a transparent mechanism for implementation of the CSR projects and activities. Effectively monitor the execution of the CSR activities.
4. Prepare an annual report of the CSR activities undertaken for Prabha Automotive Engineers and submit the report to the Board.

## **RESPONSIBILITY OF THE BOARD**

Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR committee.

Ensure the CSR spending of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the Policy.

Ensure disclosure of the contents of the CSR Policy on the Prabha Automotive Engineers website. Preparation of annual report on the CSR in the prescribed format as per the Companies Act, 2013.

## **CSR EXPENDITURE**

In every financial year, Prabha Automotive Engineers shall spend 2% of its average Net Profits in the immediately preceding three (3) financial years.

CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the approved CSR activities.

CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in above.

The surplus arising out of the CSR activities or projects shall not form part of the business profit of Prabha Automotive Engineers.

## **IMPLEMENTING CSR ACTIVITIES**

The implementation and execution of the CSR activities/projects shall be carried out through the Prabha Automotive Engineers CSR working committee members, headed by the CSR Committee Directors.



Prabha Automotive Engineers shall undertake the CSR activities directly and also through various implementing agencies such as, NGO's, non-profit organizations, etc. Such implementing agencies shall have an established track record as prescribed under the law.

Prabha Automotive Engineers may collaborate with other companies for undertaking the CSR projects/programs subject to fulfilment of separate reporting requirements as prescribed in the Rules.

## **CSR REPORTING**

The Board in its Annual Report shall include the details of the CSR activities undertaken in the Financial Year.

The CSR Committee shall provide an annual report on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of Prabha Automotive Engineers, which statement shall form part of the Boards' Report.

Prabha Automotive Engineers shall display on its website ([www. mhpsindia.com](http://www.mhpsindia.com)) the contents of its CSR Policy and other information as may be required to be displayed.

## **AMENDMENTS**

The Policy may be reviewed and amended from time to time.

## **DISCLOSURE**

All disclosures, display and reporting requirement related to CSR shall be made in accordance with the provisions of the Act and Rules made thereunder.