

Precision Camshafts Limited

CSR Policy

1. Preamble

Social Responsibility has always been an integral part in the management of Precision Camshafts Limited and PCL has been contributing towards social causes even before CSR concept was promulgated through the Companies Act 2013.

Precision Foundation was established in October 2006 to carry out the social responsibilities of PCL with the main aim of 'Giving Back to the Society' in which PCL thrived and flourished. It has been contributing in the areas of healthcare, education, sports, art & culture and social causes for the past 9 years.

This 'CSR policy' is based on Section 135 of the Companies Act, 2013 and rules made thereunder.

2. Purpose

PCL is committed to operate in an economically, socially and environmentally sustainable manner while recognizing the interests of its stakeholders. The commitment is beyond statutory requirement. Social responsibility therefore extends beyond philanthropic activities and reaches out to the integration of social and business goals. These activities would in the long term, help secure a sustainable competitive advantage.

CSR would be used in promoting the well being of human resources, providing education, health and safety to the marginalized sections of society and for the protection of the environment.

3. Policy Statement

PCL is proud to be a **Socially Responsible Corporate** citizen. We would like to scale up our CSR activities through initiatives aimed at value creation in the society and in the community in which we operate, through our services, conduct and initiatives, by protecting the environment, improving health and hygiene and helping in education and skill development on a sustained basis for the society as a whole.

We the Directors, KMPs, Officers and employees of PCL shall strive for implementing the CSR policy recommended by the Board and adopted by the Company.

4. Scope of CSR Activities

4.1 In order to achieve its CSR objectives through implementation of meaningful and sustainable CSR programs and also to fulfill statutory requirement, the Board of Directors of PCL shall allocate adequate funds for its Annual CSR Budget.

CSR Committee constituted by the Board of Directors, shall decide the amount to be allocated towards the following activities, on a year on year basis:

- a) Eradicating hunger, poverty, malnutrition; promoting healthcare including preventive healthcare, sanitation and making available safe drinking water.
- b) Promoting education, including special education and employment enhancing vocational skills especially amongst children, women and the differently abled.
- c) Promoting Gender equality, empowering women.
- d) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, conservation of natural resources and maintaining quality of soil, water and air.
- e) Protection of natural heritage, art and culture including restoration of buildings of historical importance, works of art, promotion and development of traditional arts and handicrafts.
- f) Training to promote nationally recognized sports.
- g) Rural development projects
- h) Contribution towards Prime Ministers' Relief Fund;
- i) Such other area where CSR Committee may consider as appropriate.

4.2 Exclusions: The following activities shall not be considered as CSR activities.

- a. Activities for the benefit of employees of the Company and their families.
- b. Activities undertaken in the normal course of business of the Company.

5 Implementation Process

- 5.1. CSR programs shall be undertaken by PCL through its own team drawn across various departments.
- 5.2. The time period / duration over which a particular program shall be spread, shall depend upon its nature, extent of coverage and the intended impact of the program.
- 5.3. Programs that involve considerable financial commitment and are undertaken on a time frame of 2 to 4 years shall be considered as "flagship programs" and are accorded enhanced significance.
- 5.4. Project activities identified under CSR may be implemented by specialized agencies, which could include – voluntary organizations, formal or informal elected local bodies such as Panchayats, Institutes/ academic Institutions,

Trusts, Self Help Groups, Govt. / Semi Govt. / Autonomous organizations, Mahila Mandals, Professional Consultancy organisation, etc.

6. **Governance Structure**

The Governance structure shall comprise of the Board of Directors of the Company, CSR committee and implementing partners and stakeholders.

- 6.1 CSR Programs as may be identified, by each division of the company/ corporate office shall be placed before the CSR Committee.
- 6.2 The CSR Committee shall recommend the proposal and the budget for the year to the Board for their approval.
- 6.3 Once the budget is approved by the Board, the CSR committee shall carry out the activities and monitor expenses against the approved budget.
- 6.4 The CSR committee shall update the Board on the CSR activities done every quarter generally in a meeting held for the purpose of approval of quarterly results. Board shall take note of the activities and the expenses.
- 6.5 For meeting the requirements arising out of immediate & urgent situations, the Chairman & Managing Director is authorized to approve proposals in terms of the empowerment accorded to him by the CSR Committee.

7. **CSR Committee**

The CSR Committee shall comprise of three (3) members of the Board. It shall have a mix of executive/ whole time and independent directors. The executive/ whole time director shall be the Chairman of the Committee.

- 7.1 The CSR Committee shall meet at such place and time as may be mutually agreed to among the members or as and when required.
- 7.2 Besides the physical meeting, CSR Committee may hold a meeting on video conference or tele-conference or any other similar mode.

7.3 **Notice of Meetings and List of Business**

Notice of not less than 7 (seven) clear working days from the date of posting, containing date, time and place of every Meeting,(together with list of business to be conducted at the Meeting) shall be given/ circulated to each member of the Committee present in India, either by hand or by Fax or by e-Mail, whatsoever is convenient.

Notice period may be reduced to one day / or waved off provided consent of all members is recorded in writing.

7.4 **Quorum for CSR Committee**

No business shall be transacted at the meeting of the committee unless at least two members are present.

7.5 Secretary of the CSR Committee:

The secretary of the Company shall be secretary of the CSR Committee.

7.6 Resignation

Member of the CSR Committee may resign his office by a letter, in writing, to the Chairman of the Committee and Secretary of the Committee and his office shall fall vacant from the date on which his resignation has been accepted by the Chairman of the Committee. In case the Chairman of the Committee resigns his office, he shall address a letter to the senior-most, other than himself, of the remaining member of the Committee and his resignation shall be effective on an acceptance by such senior most member.

Further, any member of the Committee shall cease to be the member of the Committee, the moment he ceases to be member of the Board of Directors of the Company.

Company Secretary shall place the resignation of the member of the Committee before the next committee meeting or shall inform to all the members of the Committee as soon as possible for their information and necessary decision.

7.7. Disposal of Business

Every question considered at a committee meeting shall be decided by a majority of votes of the members present and voting. In the event of an equality of votes, the Chairman shall exercise his casting vote; provided that the Chairman may, if he thinks fit, direct that any question shall be decided by circulation of necessary papers to the members present in India and by securing their opinion in writing. Any such question shall be decided in accordance with the opinion of the majority of the members received within a time limit allowed and, if the opinion is equally divided, the opinion of the Chairman shall prevail.

Provided further that any member may request that the question referred to the members by circulation for an opinion be considered at the committee meeting and thereupon, the Chairman may, and if the request is made by not less than two members, shall direct that it can be so considered.

7.8 Minutes of Meeting

- a) The Secretary shall be responsible for drafting and maintaining the minutes of CSR Committee;
- b) Draft minutes of CSR Committee shall be circulated to the members of the Committee for their input.
- c) The Board of Directors shall be updated periodically about the decision taken by the CSR Committee on various CSR Projects, generally in quarterly meeting held for the purpose of approval of results.

- d) Each minutes of the CSR Committee shall be placed before the Board for their noting.
- e) Each page of every minute book shall be initialed or signed and the last page shall be dated and signed by the Chairman of the said meeting or the Chairman of the next meeting.
- f) Once the minutes are signed by the Chairman, it shall be conclusive evidence of proper meeting.

7.9. Resolution without Meeting

A resolution shall be as valid and effectual as if it had been passed at a Meeting of Committee duly called and constituted, if it is passed by circulation by an affirmative vote by majority of members.

8. General

- 8.1. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference should be made to the Company Secretary.
- 8.2. Company secretary in consultation with the Managing Director and/ or Director (Finance) shall clarify the doubt and communicate the same the respective person. In case, clarification or doubt is subject matter of policy then, Secretary shall refer the matter to the CSR Committee for their direction. On receipt of direction/ clarification, secretary shall communicate the same to the respective person / division.
- 8.3. Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued by the Central Government, or Ministry of Corporate Affairs or SEBI, from time to time.