



AURANGABAD ELECTRICALS LTD.

A CIE AUTOMOTIVE GROUP COMPANY



Corporate Social Responsibility Policy



CIE Automotive



I. Introduction:

Aurangabad Electricals Limited (hereafter referred as “AEL” or “the Company”), an CIE Automotive Group Company; AEL is one of the leading auto component manufacturing company in India and is engaged into manufacturing and processing of high pressure and gravity die casting of the products/components used in automotive sector. AEL has manufacturing facilities located in Aurangabad and Pune region in the State of Maharashtra and at Pantnagar in the State of Uttarakhand, India.

From April 9, 2019, AEL has become a wholly owned subsidiary company of Mahindra CIE Automotive Limited (hereafter referred as “MCIE”). MCIE is part of CIE Automotive S. A., Spain (“the CIE Automotive Group”); the industrial group specialized in high value-added processes that operates in the automotive sector.

The Corporate Social Responsibility (hereafter referred as “CSR”) has been an integral part of the way, AEL has been doing its business since inception. AEL has undertaken and shall continue to undertake appropriate CSR initiatives, programs and activities having direct, measurable and positive socio- economic and environmental impact.

AEL is fully committed to its social responsibilities as good and responsible corporate citizen and takes appropriate initiatives to serve the society at large; particularly local communities and areas surrounding to the plants and offices of the Company.

AEL’s mission is to contribute towards improving the quality of life of the local and surrounding communities based on the CSR thrust areas i.e. Education, Health, Environment and Rural Development. AEL believes that, its participatory development-oriented approach is critical for its long-term success as an organization and that it strengthens its bond with society at large.

II. Preamble and Short Title

This Policy shall be called as **Corporate Social Responsibility Policy** of the Company. (hereafter referred as “CSR Policy”). The Policy outlines the Company’s philosophy towards the discharging of its social responsibilities as a good and responsible corporate citizen and further lays down broad guidelines/framework for CSR activities.

The core elements of CSR at AEL, is the continuing its commitment towards the values, ethical principles, care for environment, protection of human rights while improving the quality of life of all the stakeholders.



III. Applicability

The CSR Policy shall be applicable to all initiatives, activities and programs carried out by the Company as CSR in line with thrust areas mentioned below, at various plants and locations, including without limitation the corporate office of the Company.

The CSR activities at AEL, shall be guided by and in compliance with the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013, as amended from time to time (hereafter referred as “CSR Law”).

IV. Objectives of the CSR Policy

The objective of this policy is to:

- i. Promote a unified and strategic approach to the CSR activities across the Company locations /plants by way of alignment of diverse range of activities as per the thrust areas for better social impact in line with CSR Law.
- ii. Encouraging the active participation of the employees at all levels of the Company in the CSR activities in an organized and effective manner.

V. Scope of CSR Activities:

CSR thrust areas for AEL: AEL has identified following areas as the thrust areas for better social impact: 1) **Education**, 2) **Health**, 3) **Environment**, and 4) **Rural Development**.

AEL shall implement its CSR activities according to the activities mentioned in Schedule VII of the Companies Act, 2103 reproduced for ready reference below; however, preference shall be given to trust areas aligned with Schedule VII:

- i. eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Govt. 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 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 including contribution to the Clean Ganga Fund set up by the Central Govt. 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 arts and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, para-Olympic sports and Olympic sports;
- viii. contribution to the 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;
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- 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. Other activities as may be prescribed from time to time under the Schedule VII of the Companies Act 2013.

VI. What is not CSR

For the sake of clarity, following activities shall not be treated as CSR of the Company:

- a) Activities undertaken in pursuance of the Company's normal course of business;
- b) Activities which benefit only the employees of the Company and their families;
- c) Contribution directly or indirectly to any political party;
- d) Activities undertaken outside the country.



VII. Total Outlay:

From 1st April 2014 as per Section 135 of the Companies Act, 2013 (the Act), AEL shall contribute at least 2% of the average net profit of the Company made during three immediately preceding financial years specifically towards CSR initiatives.

For this purpose, the net profit and average net profit shall be calculated in accordance with the section 198 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

VIII. Governance and Monitoring process of CSR activities:

The Company has a well-defined and robust governance structure to oversee the implementation of the CSR Policy and monitoring of CSR projects as per the requirements of Section 135 of the Companies Act, 2013.

The CSR Committee will convene quarterly/half yearly meetings to review the progress of varied CSR activities with budget for further directives.

A) Board-level CSR Committee:

The Board level Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for formulating and recommending to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect. The CSR Committee reports to the Company's Board of Directors. The CSR Committee the Board shall be empowered to further, constitute such management committees i.e. Central CSR Co-ordination Council/Committee, Plant CSR Committees etc. and may allocate CSR funds plant wise, as it may deem fit and proper for effective implementation of the CSR activities of the Company.

The CSR Annual Action Plan shall include the following:-

- 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 projects or programmes,
- d) Monitoring and reporting mechanism for the projects or programmes and
- e) Details of need and impact assessment, if any, for the projects undertaken by the company.



B) AEL Central CSR Co-ordination Council

The Members AEL Central CSR Co-ordination Council will consist of

1. Head of corporate Human Resource (HR).
2. Head of corporate Finance.
3. Head of corporate Legal and Compliance.
4. Invitee Member: One employee of the company nominated by Central CSR Co-ordination Council who is interested in actively participating and volunteering for the implementation of CSR Activities of the company.

The AEL Central CSR Co-ordination Council is authorized to take necessary approvals from MCIE Central CSR Council. The AEL Central CSR Co-ordination Council is authorized to identify, evaluate and recommend CSR Projects to the Board level CSR Committee. AEL Central CSR Co-ordination Council of the Company shall approve and recommend CSR Projects identified by the Plant level CSR Committees to the Board level CSR Committee.

C) Plant level CSR Committees:

The plant level CSR Committees headed by respective plant head is authorized to spend amount in various thrust areas upto Rs.50,000/- during the financial year as plant/local CSR, after taking prior approval of the AEL Central CSR Co-ordination Council.

IX. Execution of the CSR Activities:

- 1) CSR initiatives will be implemented either directly by the Company where its employees will directly implement the CSR projects, or through implementing partners which include a company established under section 8 of the Act or registered trust or registered society registered under section 12A and 80 G of the Income Tax Act, 1961 established by the company, either singly or along with any other company; or a registered trust or a registered society, established by the Central Government or State Government; or any entity established under an Act or Parliament or a State Legislature; or a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The implementing partners shall have all necessary registrations and approvals as may be required by Government from time to time.

- 2) CSR activities will be implemented either directly by the Company where its employees will directly participate in implementation of CSR activities or through legal entity incorporated by the Company for the purpose or the Company may appoint external implementing partner (s) agency (s) having reputation and relevant track record.



- 3) The Company may engage International Organisations (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014) for designing, monitoring, and evaluation of CSR Projects as well as capacity building of their personnel.
- 4) The Company may also collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.
- 5) Implementation will be done as per requirement of the project or the program which is recommended by committee and approved by Board.
- 6) The CSR Committee may appoint and work with any NGO's or institution having the CSR Registration Number to design, to do the impact assessment and implement innovative projects independently or through partnership between such NGO, institution/trust in line with thrust areas of the Company.
- 7) The process of implementation of CSR program will involve the identification of programs, social need and impact assessment, area of CSR activities, on project - based approach, time period, cost of the projects, etc.
- 8) Voluntary participation of employees, who are not members of CSR operational team at project/plant sites, and family members of such employees, shall be encouraged in the implementation of CSR activities.
- 9) AEL may collaborate with other companies including, without limitation it's holding Company i.e. Mahindra CIE Automotive Limited, for undertaking joint projects or programs as the CSR Activities, in such a manner that, the CSR Committees of respective companies are in a position to report separately on such projects or programs as its respective CSR activities as per extant CSR law.
- 10) AEL may take such measures for enhancing its CSR capacities including, without limitation, capacity building measures for its personnel as well as those of the implementing agencies as it may deem fit and proper as per the CSR law.
- 11) AEL may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company.
- 12) The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance



of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

- 13) Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the “Unspent Corporate Social Responsibility Account”. Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

X. CSR Monitoring and Assessment:

a) Monitoring of CSR activities:

CSR activities shall be monitored and supervised by the CSR Committee, who shall ensure the activities to be undertaken under CSR policy and its effective implementation and shall report at periodic intervals to the Board of Directors of the Company.

b) Release of Funds for CSR activities:

The amount sanctioned for a CSR project or program will be released in stages or installments as per progress, as may be determined by the CSR Committee.

The CSR Committee may design the procedure / guidelines applicable from time to time and release of funds to any projects in a year shall be as per guidelines finalized by the CSR Committee.

c) Review by CSR Committee and by the Board:

The CSR Committee and the Board of Directors of the Company shall periodically review the implementation of CSR activities from time to time.

d) Utilization certificate:

Fund released/to be released would be subject; to the implementing agency(s) providing the satisfactory utilization certificate duly certified by the Principal officer of beneficiary entity and satisfactory performance report to the CSR Committee.



e) Impact Assessment:

The CSR Committee may appoint any external agency for the impact assessment/ evaluation of the project (s) proposed to assess the fulfillment of project objectives.

f) Audit and Records:

The Company shall prepare and maintain proper records of the documents, proposals received, scrutinized etc. also details of amount spent along with progress reports on CSR activities and the same shall be subject to audit.

g) CSR Statutory Reporting:

AEL's CSR activities shall be reported in the Annual Report and the policy be uploaded on the website of the Company as prescribed under the CSR Law.

XI. Amendment and Disclosures:

- a) The CSR Policy shall be read in conjunction with Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Act and amendments thereto, along with notifications, orders, circulars, guidelines etc. as may be prescribed by the Ministry of Corporate Affairs, Government of India, in this regard.
- b) The CSR Policy of the Company shall be uploaded on the Company's website for information of all stakeholders.
- c) This policy is revised by the Board of Directors of the Company in its meeting held on 28/04/2021 and shall be subject to further revision and/or amendment as may be decided by the Board of Directors of the Company.



Annual Action Plan on CSR Activities for the Year 2021

Sr. No	CSR Project/ Programs	Category under Schedule VII of Companies Act, 2013	Name of Implementing Agency	Duration (Years)	Project Start year & end year	Project Deliverables
1	Care Group & Early Intervention Center for mentally challenged children's at Aurangabad Maharashtra	Schedule-VII- Clause (i),(ii) Promoting education, health care etc.	Navjeevan Society for Research and Rehabilitation for Mentally Handicaped (NSRRMH) Aurangabad	3 Years	2020 -2022	To take care of the Deyang children's. Provide training to children's with intellectual disability. Measurable deliverables: student up to 70 (Seventy) per year.
2	Child Care Unit & Rehabilitation of Orphans at Aurangabad Maharashtra	Schedule-VII- Clause(i) Promoting health care, including preventive health care etc.	Sakar Adoption Center, Aurangabad	3 Years	2020-2022	Childcare unit for the babies aging 0-6 Years. It is a well-equipped unit where foster care of orphan Childs is taken Apart from day to day necessities best medical care is taken through daily checkups and timely treatment.
3	Udyan Shalini Fellowship(USF), program at Aurangabad Maharashtra	Schedule-VII- Clause (ii) Promoting education etc.	Udyan Care, Aurangabad Chapter	3 Years	2020-2022	Scholarship is provided to the 30 deserving and needy girl students from government and government aided schools to enable them to continue their education.
4	Adoption of Govt. Primary School Dharpur U.S.Nagar Uttarakhand	Schedule-VII- Clause (i) Promoting education, etc.	Direct- through CSR Committee along with AEL CSR Team	3 Years	2021-2023	Adoption of Govt. Primary School at Dharpur U.S.Nagar Uttarakhand by providing them Chair & Table for students Seating, Computer Systems, Computer Training, along with repairs and maintenance of the school etc.



Annual Action Plan on CSR Activities for the Year 2021

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5	Entrepreneurship and Skill Development Center at Dr.Babasaheb Ambedkar Government University at Aurangabad Maharashtra	Schedule-VII- Clause (ii) Promoting education, etc.	Through Joint Committee of BAMU University Officials and AEL CSR committee.	3 Years	2021-2023	Conduct various skill development programs at this center as per specific requirement of the Local Industry. To organise various training for manufacturing of auto parts and other skill development training for enhancing employability. To arrange regular seminars, workshops, orientation programs for the students. To assist students in getting employment after the study.
6	CSR activity towards Covid-19	Schedule-VII- Clause (i) Promoting health care, including preventive health care etc.	Direct -Through CSR Committee along with AEL CSR Team	1 Year	2021	To provide aid to government for fighting against Covid-19 pandemic by donating oxygen concentrators and other lifesaving equipment's to district administration where companies plants are located.