



**TECHNO ELECTRIC & ENGINEERING COMPANY LTD**

**Corporate Social Responsibility Policy**

## **OBJECTIVE:**

The main objective of Corporate Social Responsibility Policy (“**CSR**” Policy) is to make CSR a key business process for sustainable development of the society. Techno Electric & Engineering Company Limited *will act as a good corporate citizen* and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

## **DEFINITIONS:**

“Act” means the Companies Act, 2013.

“Company” means Techno Electric & Engineering Company Ltd.

“Corporate Social Responsibility (CSR)” means and includes but is not limited to:

- (i) Projects or programs relating to activities specified in Schedule VII to the Act; or
- (ii) Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

“CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

“CSR Policy” relates to the activities to be undertaken by the company as specified in Schedule VII to the Act (as amended) and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.

“Net profit” means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :-

- (i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

Provided that net profit in respect of a financial year for which the relevant financial -statements were prepared in accordance with the provisions of the Companies Act, 1956 (1 to 1956) shall not be required to be re-calculated in accordance with the provisions of the Act.

Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

## **MEASURES AND ACTIVITIES:**

The CSR policy of Techno Electric & Engineering Company Limited (“**Techno**” or “**the Company**”) is broadly framed taking into account the following measures:

The CSR activities shall be undertaken by Techno as stated in this Policy either directly or through its Trust or through any qualified and recognized agency, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

The CSR activities which are exclusively for the benefit of the employees of Techno or their family members shall not be considered as CSR activity.

Techno shall give preference to the local area or areas around it where it operates, for carrying out the CSR activities.

The Board of Techno may decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or a company established by it or its holding or subsidiary or associate company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

## **PROJECTS OR PROGRAMS**

The following is the list of CSR projects or programs which Techno plans to undertake pursuant to Schedule VII of the Companies Act, 2013:

1. **Hunger, Poverty, Malnutrition and Health:** eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. **Education:** promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. **Gender Equality and Empowerment of women:** 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;
4. **Environmental Sustainability:** 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;

5. **National Heritage, Art And Culture:** 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;
6. **The Benefit Of Armed Forces Veterans:** measures for the benefit of armed forces veterans, war widows and their dependents;
7. **Promote Rural Sports:** training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. **Contribution To Fund:** 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;
9. **Contribution To Fund Approved By Central Government:** contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10. Rural development projects;
11. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

### **CSR COMMITTEE AND RESPONSIBILITIES:**

#### **Corporate Social Responsibility Committee**

The Board of Directors of the Company has constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of three Directors, out of which two directors are independent directors.

#### **Role of CSR Committee**

The role CSR Committee shall be –

1. To formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
2. To recommend the amount of expenditure to be incurred on the activities; and
3. To monitor the Policy of the company from time to time.

The Board of the Company shall after taking into account the recommendations made by the CSR Committee, approve the policy for the Company and disclose contents of such Policy in its

report and also place it on the company's website and ensure that the activities as are included in the CSR Policy of the company are undertaken by the Company.

Techno provides the vision under the leadership of Mr. P. P. Gupta, Chairman and Managing Director.

At the Company, the Managing Director takes on the role of the mentor, while the onus for the successful and time bound implementation of the CSR activities/projects is on the HR Head and CSR teams.

The CSR Committee will decide on the locations for CSR activities.

### **ACTIVITIES AND PERFORMANCE:**

Prior to the commencement of CSR activities/projects, the Company carry out a baseline study of the nearby area/villages where the projects of the Company are located.

The study encompasses various parameters such as – health indicators, literacy levels, sustainable livelihood processes and population data – below the poverty line and above the poverty line, state of infrastructure etc.

All activities/projects of CSR are assessed under the agreed strategy and are monitored every quarter/year and wherever necessary, midcourse corrections are made.

### **COLLABORATION / PARTNERSHIP:**

Collaborative partnerships are formed with, the village panchayats, NGOs and other like-minded stakeholders. This helps in widening the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring before the Company.

### **FUNDING AND MONITORING PROCESS:**

The allocation for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy. In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.

Approving authority for the CSR amount to be spent would be any one Director or the Managing Director or Chief Financial Officer of the Company after due recommendation of CSR Committee and approval of the Board of Directors of the Company.

The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company. The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

Tax treatment of CSR spent will be in accordance with the Income Tax Act.

**MANAGEMENT COMMITMENT:**

The Board of Directors, Management and the employees of the Company subscribe to the philosophy of compassion and generosity and act with enthusiasm and commitment for the cause of the society.

**AMENDMENT:**

The CSR Committee will review the policy from time to time based on the changing needs and aspirations of the beneficiaries and make suitable modifications / amendments as may be necessary.

**COMPLIANCE WITH COMPANIES ACT, 2013**

The Corporate Social Responsibility policy of the Company has been prepared in conformity with the requirements of Section 135 of the Companies Act, 2013.

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