



# Transformers and Rectifiers (India) Limited

Corporate Social  
Responsibility Policy



## 1. Introduction

- ✚ The concept of Corporate Social Responsibility has gained prominence from all avenues. Organisation must realize that Government alone will not be able to get success in its endeavor to uplift the downtrodden of the Society. Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences.
- ✚ Transformers and Rectifiers (India) Ltd ("TRIL") has always believed in "**Power of We**", "**Power of We**" is core value of the Company and "**We**" is inclusive of Society at large and Environment as well. Thus, it is the core corporate responsibility of Transformers and Rectifiers (India) Ltd ("TRIL") to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.
- ✚ The Company endeavors to make CSR a key business process for sustainable development. TRIL is responsible to continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in accountable manner that creates a sustained positive impact on society

## 2. Definitions

- ✚ "CSR Activities" shall mean the projects and / or programmes undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this CSR Policy.
- ✚ "Implementation Agencies" any other trust, society or Company or any entity established under an Act of parliament or a state legislature or any other agency and also registered at Ministry of Corporate Affairs which is eligible to undertake CSR Activities, on behalf of the Company in compliance with the Applicable Laws.
- ✚ "Rules" means Companies (Corporate Social Responsibility Policy) Rules, 2014, or any other rules prescribed under section 135 of the Act and pertaining to corporate social responsibility, as may be amended and prescribed, from time to time.
- ✚ "Corporate Social Responsibility" (CSR) means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:
  - A. activities undertaken in pursuance of normal course of business of the company:  
Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and



medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

- a. such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
- b. details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- B. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- C. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- D. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- E. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- F. activities carried out for fulfilment of any other statutory obligations under any law in force in India

### 3. Interpretation

- ✚ The CSR Policy has been framed in accordance with the provisions of section 135 of the Companies Act, 2013 ("Act") and the Rules prescribed thereunder and as defined hereinafter (collectively referred as "Applicable Laws").
- ✚ Words and expressions used in this Policy and not defined herein but defined in Applicable Laws, or the Articles of Association of the Company shall have the meaning as assigned to them thereunder.
- ✚ In this Policy, unless the contrary intention appears:
  - a. the clause headings are for ease of reference only and shall not be relevant for construction or interpretation of the Policy;
  - b. words in singular include the plural and vice-versa.
- ✚ All references to laws or to any specific provision of any law shall include references to all delegated legislation issued thereunder or any legislation as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification).
- ✚ Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have corresponding meanings.



#### **4. Guiding Principles**

- ✚ The Company shall follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan:
  - a. In undertaking CSR Activities, the Company shall give preference to the local areas wherein the Company operates or has its offices i.e. areas in the vicinity of its factories, depots and field offices.
  - b. The Company shall undertake only such CSR Activities, as are identified as Focus Areas under this Policy as well as are permitted under the Applicable Laws. The Company shall also consider national or state level priorities/ objectives, while identifying CSR Activities.
  - c. The Company shall not discriminate against the beneficiaries of the CSR Activities, on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR Activities to benefit the economically or socially weaker, or marginalized sections, of the society.
  - d. The Company shall endeavor utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.
  - e. The Company shall ensure that all CSR Activities undertaken directly or indirectly, meet applicable standards of quality followed by Company and/or are the market standard for such activities.
  - f. The Company shall either undertake the project directly or preferably through Implementation Agency and shall to its best of its ability also ensure that the partners or vendors selected by the Company or the Implementation Agency, satisfy the criterion specified by the Rules (if any) and have relevant experience, good credentials, no criminal track record.
  - g. The Company shall ensure that all the CSR Activities are implemented as per the approved Annual Action Plan, authorised by the Board.

#### **5. Mode of Implementation**

- ✚ All CSR Activities of the Company shall be undertaken by the Company either directly or through any other Implementation Agency.
- ✚ Subject to Applicable Laws, the Company may collaborate with other companies for undertaking projects or programmes or CSR activities, provided that the CSR committee of the Company, shall separately report to the Board, such projects or programmes that have been undertaken as the Company's CSR Activities.
- ✚ All contribution to the funds referred in Para 6 point (e) and (f) shall be made directly by the Company and shall be utilized, accounted and monitored, strictly in accordance with Applicable Laws.



- In case the Company undertakes any CSR Activity through any Implementation Agency shall satisfy the requirements prescribed under the Applicable Laws and shall be approved by the Board.

## 6. Objective of the policy

- To assist socially and economically disadvantaged segments of society to overcome hardship and impoverishment
- To enhance increased commitment at all levels in the organization towards reinforcing its image as a social and environmental conscience company
- Demonstrate commitment to the common good through responsible business practices and good governance.

## 7. Focus Areas

- The Company is committed to support the CSR Activities undertaken in the following areas:
  - eradicating hunger, poverty, malnutrition; promoting health care including preventive health care and sanitation and making available safe drinking water.
  - promoting education, including special education or employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
  - 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.
  - contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central government or any state government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
  - contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
  - contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science,



technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- g. rural development projects.
- h. disaster management, including relief rehabilitation and reconstruction.
- i. any activities or subjects specified in Schedule VII of the Act.

## 8. CSR Expenditure

- ✚ Every year the Company shall spend atleast 2% of its average Net profit as defined under the Rules ("CSR obligation") during the three immediately preceding financial years, on the CSR Activities as per approved Annual Action Plan.
- ✚ The Company shall not consider any administrative expenses, except the cost of Impact Assessment, in meeting its CSR obligation, provided that, such costs shall not exceed the cap for such impact assessments, prescribed under Applicable Laws.
- ✚ Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.
- ✚ In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the '*Unspent Corporate Social Responsibility Account*', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.
- ✚ Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profits of the Company and shall be utilized towards the eligible CSR Activities / addressed in accordance with Applicable Laws.
- ✚ Consequence of non-transfer in aforesaid manner:
  - a. Offence decriminalised vide CAA, 2020
  - b. Company liable to pay penalty twice the amount of default or Rs. 1 crore, whichever is less
  - c. Every officer liable to pay penalty @ 10% of default or Rs. 2 lacs, whichever is less

## 9. Approval of CSR Activities

- ✚ The CSR Activities to be undertaken by the Company under the Policy shall be approved by way of Annual Action Plan by the Board on the recommendation of the CSR Committee.



- ✚ The Annual Action Plan shall, inter alia, contain the following information with respect to the CSR Activity proposed to be undertaken by the Company:
  - a. list of CSR Activities to be undertaken in the relevant financial year;
  - b. local area where the CSR Activities are to be undertaken;
  - c. manner of execution;
  - d. modalities of utilisation of funds;
  - e. implementation schedule;
  - f. monitoring and reporting mechanism; and
  - g. details of need and impact assessment, if any.
- ✚ The Board on the recommendation of the CSR Committee shall be the absolute authority to update, alter, modify, amend, withdraw and replace the Annual Action Plan for justified reasons.

### **10. Monitoring of CSR Activities**

- ✚ Under the overall supervision of the Board and the CSR Committee, the Implementation Agency (in case, the CSR Activities are undertaken by any Implementation Agency), shall be responsible to monitor the CSR Activities. The Implementation Agency shall devise a robust monitoring mechanism to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plans in compliance with the Applicable Laws and the provisions of this Policy.
- ✚ The CSR Activities will be effectively and objectively monitored using appropriate monitoring tools that may include one or more of the third-party audit(s) or certification(s), impact assessment(s), self- assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.
- ✚ The CSR Committee shall review the progress on Annual Action Plan preferably on quarterly basis but not less than twice in a year.
- ✚ The Board shall review the status of implementation and fund utilization of the various projects and programmes as per approved Annual Action Plan at least once in a year.
- ✚ For the Board to satisfy itself that disbursed CSR funds have been utilized for its intended use, it can rely on the certificate issued by the received. The certificate shall be additionally signed by the head / authorised representative of the Implementation Agency.
- ✚ In case of unsatisfactory finding on any of the CSR Activity, the Implementation Agency, as the case may be, shall immediately inform the CSR Committee and shall also take appropriate action against the errant party in accordance with law.



## 11. Constitution, Composition And Scope Of Corporate Social Responsibility Committee (CSR Committee)

### a. Constitution and composition of the CSR Committee:

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee comprising 3 Members of the Board. Subject to the requirements of the Act, the Board may increase or decrease the size of the CSR Committee by passing a resolution.

The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of section 135 of the Companies Act, 2013.

The current members of the CSR Committee shall be the following:

Name	Title
Mrs. Karuna Mamtora	Chairperson
Mr. Jitendra Mamtora	Member
Mr. Subir Kumar Das	Member

### b. Invitees to the CSR Committee:

The CSR Committee may, at its discretion, invite employees of The Company from time to time to participate in the meetings of the CSR Committee and assist the CSR Committee in the implementation of the CSR Policy.

## 12. Responsibilities of the Implementation Agency

✚ For the purpose of CSR Activities of the Company shall work under the overall supervision of the CSR Committee and the CSR Committee shall be fully authorised to issue any instruction, guidelines, direction, order, advisor etc. which shall be binding on the Company.

✚ Implementation Agency shall ensure the following:

- a. All CSR Activities of the Company comply with this CSR Policy and the Applicable Laws.
- b. Implementation Agency works only with credible institutions, non-governmental organisations (NGOs), government agencies, domain experts and visionaries and other philanthropic foundations to enhance the outreach of the Company's CSR Activities in line with the CSR Policy.





- c. Undertake the CSR Activities as per the approved Annual Action Plan.
- d. Update the CSR Committee and the Board on the progress of CSR Activities and status of implementation of the Annual Action Plan.
- e. Maintain records of all CSR Activities undertaken on behalf of the Company.
- f. Do all such acts, deeds and things as may be directed by the CSR Committee in pursuance of the CSR Policy and for the effective implementation of the Annual Action Plan.

### **13. Disclosures**

- ✚ Details of composition of the CSR Committee, the CSR policy, the CSR Committee charter and details of CSR Activities approved by the Board shall be available on the Company website at Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.

### **14. Display of CSR activities on its Website**

- ✚ The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

### **15. Miscellaneous**

- ✚ This Policy shall remain in force unless amended or withdrawn.
- ✚ The Management/ Board of Director of the Company are authorised to amend this Policy to appropriately incorporate statutory amendments relating to corporate social responsibility from time to time. Such amended policy shall be placed before the CSR Committee and the Board for information and noting.
- ✚ The Board may, in accordance with Applicable Laws, alter, amend, review, substitute this Policy as and when required without any prior intimation to any for justified reasons.