



**Power & Instrumentation (Guj.) Limited**

AN ISO 9001 : 2008 COMPANY

CIN : L32201G1983PLC006456

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **REGISTERED AND CORPORATE OFFICE:**

B-1104, Sankalp Iconic, Opp.Vikram Nagar Iscon,  
Temple Cross Road, S. G.Highway,  
Ahmedabad, Gujarat, 380054

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

1. Corporate Social Responsibility Philosophy: The Company strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. As a Corporate Citizen, we strongly believe that it is our responsibility to give back to the society by arranging blood through blood donation camps, providing foods, clothes, etc., at the time of natural disasters/calamities; keeping the environment clean and safe for the society by adhering to the best industrial practices, adopting best technologies and investing in greener initiatives, and so on. It is the Company's intent to make a positive contribution to the society in which the Company lives and operates. The policy shall apply to all the CSR initiatives undertaken by the group at various locations in keeping with the guidelines enlisted in the Schedule VII of the Companies Act, 2013 and any amendments thereof.

2. Policy Objective: The main objective of CSR policy is to lay down guidelines for the companies to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. Company will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

### 3. Definitions:

1. "Act" shall mean the Companies Act, 2013, including any modifications, amendments or re enactment thereof.

2. "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

3. "Agency" (or Agencies) means any Section 8 Company or a registered trust/society/NGO /institution, performing social services for the benefit of the society and excluding a registered trust/society/NGO/institution/ Section 8 Company which is formed by the Company or its holding or subsidiary or associate company/companies.

4. "Approved Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.

5. "Board" shall mean the Board of Directors of the Company.

6. "Company" shall mean Power and Instrumentation (Gujarat) Limited and wherever the context requires, shall signify the Company acting through its Board.

7. "Corporate Social Responsibility" means the activities undertaken by the Company in pursuance of its statutory obligation in section 135 of the Act and in accordance with

provisions of the rules made thereunder, other than those specifically excluded under the Act or the rules made thereunder.

8. "CSR Annual Plan" shall mean the annual plan detailing the CSR projects and expenditure towards the respective projects during any financial year.

9. "CSR Committee" shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director. The Company Secretary shall act as the Secretary to the Committee.

10. "CSR expenditure" means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following: i. Contribution to CSR Projects which shall be implemented and/or executed by the Company; ii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and iii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency. iv. Any other contributions covered under Schedule VII.

11. "CSR Projects" or "Projects" means Corporate Social Responsibility projects/activities/ programs / initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.

12. "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

13. "Financial Year" shall mean the period beginning from 1<sup>st</sup> April of every year to 31<sup>st</sup> March of the succeeding year.

14. "Net profit" shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.

15. "Ongoing Project" means a multi-year project undertaken by the Company in fulfillment of CSR obligations having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as the multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

16. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

17. "Society" means a Society formed and registered under the Societies Registration Act, 1860 by the Company and includes a society jointly formed and registered by the Company with any other Company (ies) or the Society which is having an established track record of at least 3 years in undertaking CSR activities, which is having registration under Section 12A and 80G and having Unique CSR registration number.

18. "Section 8 Company" means a company with charitable objects established under Section 8 of the Companies Act, 2013 and rules made thereunder which is having registration under Section 12A and 80G and having Unique CSR registration number.

19. "Trust" means a Trust created and registered under the India Trusts Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with any other Company (ies) or the Trust which is having an established track record of at least 3 years in undertaking CSR activities which is having registration under Section 12A and 80G and having Unique CSR registration number.

#### 4. Composition of CSR Committee:

The CSR Committee consist of the following Directors:

<b>Name of the Director</b>	<b>Category of Directorship</b>	<b>Position in the CSR Committee</b>
Mr. Manav Rastogi	NED & ID	Chairman
Mr. Padmaraj Padmnabhan Pillai	Executive Director	Member
Mr. Amit R. Uttamchandani	NED & ID	Member

#### **Role of the CSR Committee:**

The CSR Committee shall carry out of the following functions:

1) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (as amended from time to time).

2) To recommend the amount of expenditure to be incurred on the activities in a financial year.

3) To monitor the Corporate Social Responsibility Policy of the company from time to time. For this purpose, the CSR Committee shall meet at least twice a year.

4) To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:

(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 (as amended from time to time)

(b) The manner of execution of such projects or programmes as specified in the Rules

(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 project undertaken by the Company

(f) Alteration in the plan, if required with reasonable justification to that effect,

5) The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting to be held in the month of April / May /June of the following year for Board review and finalization.

6) The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan are displayed on the Company's website.

7) In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.

#### **5. Role of the Board of Directors:**

The Board of Directors shall carry out of the following functions:

1) Approve the CSR Policy after taking into consideration the recommendations of the CSR Committee and place the CSR Policy on the Company's website.

2) In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within overall permissible time period.

3) Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Members of the Company and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

4) Ensure expenditure of requisite amount on CSR every year as per law in pursuance to CSR Policy. The Board shall give preference to local areas and areas around it, where it operates.

5) Ensure implementation of the activities under CSR, as per the CSR Policy. The Board shall stratify itself that the fund disbursed have been utilised for the purpose and in the manner approved by it and it shall seek a certificate from CFO or from person responsible for financial management, to that effect.

6) Form a CSR Committee and disclose the composition of the CSR Committee as required under the provisions of the Companies Act, 2013 and Rules made there under (including modification, alteration or re-enactments).

7) Approve Annual action Plan as formulated and recommended by the CSR Committee, as per the CSR Policy of the Company which shall include projects or programs to be undertaken, manner of execution, modalities of utilization of funds, monitoring the reporting mechanism and need & impact assessment, if any. The Board may alter the plan during the financial year, if recommended by the CSR Committee, based on reasonable justification.

8) Ensure that any amount remaining unspent, pursuant to any ongoing project, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, is transferred by the company within a period of thirty days (or within such other days as

may be permitted under the Companies Act, 2013 and rules made there under) from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount is spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

#### **6. List of Areas of CSR Activities / Projects:**

The Company shall undertake one or more of the following Activities/Projects or such other activities/projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility ("CSR") framework, either directly or through a registered trust or a registered society or a Section 8 company established by the company either singly or with any other Company or any other registered trust or a registered society or a Section 8 company having established track record of at least three years in undertaking CSR activities and which are registered under Section 12A and 80G of Income Tax Act, 1961 and having a unique CSR registration number:

- 1) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- 2) Promoting education, including employment enhancing vocational skills and special education, with focus on children, women, elderly and the differently abled ones and also to actively support livelihood enhancement projects;
- 3) 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;
- 4) 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 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].
- 5) 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 art and handicrafts;
- 6) measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- 7) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

8) 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

9) (a) 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; and

(b) 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 (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); 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).]

10) rural development projects

11) disaster management, including relief, rehabilitation and reconstruction activities.

**CONCLUSION:**

The above guidelines would form the framework around which the CSR activities would be undertaken. The Company will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

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