

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



SUPERTRON ELECTRONICS PVT LTD.

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I. TITLE

This Corporate Social Responsibility Policy shall be called the Supertron Electronics Pvt. Ltd. – Corporate Social Responsibility Policy (hereinafter referred to as the “CSR Policy”).

II. OBJECTIVE

The objective of framing this CSR Policy is to ensure that the Company operates its business in an economically, socially & environmentally sustainable manner by enhancing the quality of life & economic well being of the society in fulfillment of its role as a socially responsible corporate.

III. SCOPE

- 1.1. This Corporate Social Responsibility (“CSR”) Policy of **SUPERTRON ELECTRONICS PRIVATE LIMITED**(the ‘Company’) has been framed to fulfil the statutory obligations under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- 1.2. This CSR policy shall apply to all the direct and indirect expenditures incurred by the Company in pursuance of its CSR obligations under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- 1.3. The CSR Policy of the Company shall be reviewed and updated as and when required to incorporate the strategic CSR requirements of the Company; amendments, if any, to the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and any other applicable laws, rules regulations and regulatory frameworks.

IV. APPLICABILITY

The Policy shall apply to all CSR projects / programs / activities undertaken by the Company in accordance with the clauses contained herein and section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

V. DEFINITIONS & INTERPRETATION

• Definitions

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re- enactments thereof.

“**Act**” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

“**Associate Company**” means a Company within the meaning of section 2(6) of the Act.

“**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 program.”

“Board” means the Board of Directors of the Company.

“Company” means Supertron Electronics Pvt. Ltd. (CIN – U32109WB1993PTC058211), a Company incorporated under the Companies Act, 1956 and having its registered office at “Supertron Hosue”, 2, Cooper Lane, Kolkata – 700001, West Bengal and includes its successors and assigns.

“Corporate Social Responsibility (CSR)” means the activities undertaken by Company in pursuance of its statutory obligation laid down in section 135 of the Act read with CSR rules, but shall not include the following, namely:-

- activities undertaken in pursuance of normal course of business of the company;
- any activity undertaken by the company outside India except for training national level or India at international level;
- contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- activities carried out for fulfilment of any other statutory obligations under any law in force in India;

“CSR Committee” means the Committee of the Board constituted for the purpose of administration & implementation of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto referred to in section 135 of the Act.

“CSR Policy” –

means this Policy document, containing the approach and directions statement given by the Board of the Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for the selection, implementation and monitoring of the CSR projects or programmes or activities as well as the formulation of the ‘CSR Annual Action Plan’.

“CSR Rules” means Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modification or amendment thereof.

“Holding Company” means a Company within the meaning of section 2(46) of the Act.

“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation 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 a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

“Subsidiary Company” means a Company within the meaning of section 2(87) of the Act.

“Annexure” means the Annexures appended to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

“CSR Annual Action Plan” means the list of “CSR programmes” proposed to be undertaken by the Company in a financial year as per its CSR Policy in the areas or subject specified in the Schedule VII of the Act.

CSR Programme” means any CSR projects, programmes, or activities, undertaken by the Company as per its CSR Policy, that are in line with the activities in the areas or subjects as specified in the Schedule VII of the Act, as amended.

CSR Programme Cost” means the expenditure incurred directly towards the designing, implementation, monitoring and evaluation of a particular CSR project or programme.

“Net profit” means the net profit of the Company as per its financial statement prepared following the provisions of Section 198 of the Act, but shall not include the following:

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

“Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005).

- **Interpretation**

In this document, unless the contrary intention appears:

- a) the singular includes the plural and vice-versa;
- b) the word “Person” includes an individual, a firm, a body corporate or unincorporated entity or any authority; and
- c) any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.
- d) Words and expressions used and not defined in this Policy but defined in the Act shall have the same meanings respectively assigned to them in the Act.

- **Article Headings**

Article headings are for information only and shall not affect the construction of this document.

- **References**

Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

VI. CSR ACTIVITIES / PROJECTS / PROGRAMMES:

- The Company shall undertake CSR activities as recommended by the CSR Committee and approved by the Board from time to time in any one or more of the areas specified in Schedule VII (as amended from time to time) of the Act:
- Preference shall be given to the local area and areas around where the Company operates, for spending the amount earmarked for CSR activities.
- CSR activities shall be undertaken by the Company in adherence with this CSR Policy.
- CSR activities shall be undertaken only in India.

VII. POWERS OF THE BOARD:

- The Board of the Company will be responsible for:
 - The Board shall ensure that the CSR activities are undertaken by the Company itself or through -
 - a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - any entity established under an Act of 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.
 - Forming a CSR Committee with such Directors as its members as it may deem fit and in accordance with the section 135 of the Act read with CSR Rules.
 - Reviewing and approving the CSR policy as recommended by the CSR Committee.
 - Monitoring the implementation of the CSR policy through the CSR Committee in accordance with this Policy.
 - Ensuring that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect

- f. 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 make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- g. Disclosing in Board's report, the annual report on CSR as per the format as prescribed under the Act read with CSR Rules.
- h. Ensuring the placing of CSR Policy, composition of CSR Committee, projects approved by the Board and other matters as may be prescribed by authorities from time to time, on the Company's website.
- ii. The Board may decide to engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of its team for CSR.
- iii. The Board may also decide to collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with CSR rules and this Policy.
- iv. The number of members of CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to Act and such rules and regulations as may be in force. The Board may also provide that the CSR Committee shall exercise certain powers only after consultation with the Board and in such case the said powers shall be exercised accordingly.
- v. The Board in its absolute discretion may from time to time modify, change, vary or the CSR Policy, provided that such amendment or alteration shall be in compliance with the applicable clauses of Act and CSR Rules.

VIII. CSR COMMITTEE:

i. Purpose:

The Corporate Social Responsibility (CSR) Committee of the Company will be formed by the Board of Directors of the Company to assist the Board in carrying out its responsibilities as per the CSR Policy of the Company.

ii. Composition of the CSR Committee:

The CSR Committee shall comprise of two (2) or more directors as the Board may deem fit from time to time, to be appointed from amongst the Directors. The Board shall at its sole discretion, have the power to appoint any Director, remove any such Director so appointed and appoint another in his place. Any such appointment and/or removal shall be made by a resolution of the Board.

- a. The Chairperson of the Committee shall be designated by the Board from among the Committee members.
- b. The Company Secretary of the Company shall act as Secretary to the Committee.
- c. The Board will have the power to reconstitute CSR Committee as and when required from time to time.

iii. Meetings:

The CSR committee may meet - at least once a year and/or as and when required. The CSR Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations if it so thinks fit.

iv. Quorum:

The quorum necessary for the transaction of business of CSR Committee shall be 2 members or 1/3rd of the total Committee members, whichever is higher. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee as provided herein and delegated by the Board from time to time.

v. Roles:

The CSR Committee shall ensure the following:

- a. Formulation of CSR policy in accordance with section 135 of Act read with CSR Rules, and recommend the same to the Board for approval and adoption.
- b. Formulate and recommend to the Board, an annual action plan in pursuance of 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;
 - (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:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of CSR Committee, based on the reasonable justification to that effect.
- c. The CSR Committee shall identify the CSR activities along with the geographical area to be undertaken by the Company based on the detailed study & research. The study encompasses various parameters such as – health indicators, literacy levels, sustainable livelihood processes, population data – below the poverty line and above the poverty line, state of infrastructure, environment, among others.
- d. The Board shall review the proposal of the CSR Committee and if deems fit may approve the recommendation of the Committee with any modification that may be deemed necessary.
- e. On determination of the modalities, every year the CSR Committee shall present a detailed proposal before the Board containing:
 - i. List of CSR activities to be under taken.
 - ii. Geographical areas wherein such CSR activities are to be undertaken.
 - iii. Defined objectives (developed out of existing societal needs determined through baselines / studies / research).
 - iv. Defined expected timelines, outcomes, outputs and inputs.
 - v. Budget.
 - vi. Implementation source, either directly or through some trust, society, company or otherwise.
 - vii Monitoring system.

- f. Recommendation to the Board for modification(s) to the CSR policy as and when required.
- g. Establish a transparent monitoring mechanism for implementation of the CSR activities undertaken by the Company.
- h. Perform all functions as may be delegated by the Board from time to time.

IX. CSR EXPENDITURE:

- i. **CSR Obligation** – The Company shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.
- ii. **Administrative Overheads** – The Board shall ensure that the administrative overheads shall not exceed five per cent of total CSR expenditure for the financial year.
- iii. **Fund Utilisation** – The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- iv. **Unspent CSR Amount** – If the Company fails to spend the prescribed CSR amount of any financial year, the Board shall, in its Board Report shall specify the reasons for not spending such amount. For any unspent amount remaining against the prescribed CSR amount, the Board of the Company, on the recommendation of the CSR Committee can choose to carry forward the unspent amount to the subsequent three financial years, provided it is over and above that year's prescribed CSR spend and should follow the following provisions:
 - (a) Any unspent amount towards any ongoing CSR programme shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company on behalf of the financial year in any scheduled bank to be called the “**SUPERTRON ELECTRONICS PRIVATE LIMITED Unspent Corporate Social Responsibility Account**” followed by the suffix of the Financial Year.
 - (b) Such unspent amount towards the ongoing CSR programmes shall be spent by the Company within a period of three financial years from the date of such transfer from the said account, failing which, the Company shall transfer any remaining unspent balance of such account at the end of the third financial year to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
 - (c) **Excess CSR spends** – In case, if the Company spends any amount in excess of the prescribed CSR spends in a financial year, then the same can be set off against the prescribed CSR spent in the immediately three succeeding financial years, provided that the excess amount spent / available for set-off shall not include the surplus arising out of the CSR activities and the Board of the Company shall pass a resolution to that effect.

- (d) CSR Surplus – Any surplus arising out of the CSR activities shall not form part of the business profit of the Company any kinds of income accrued by way of CSR activities shall be ploughed back into the same CSR programmes or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

X. IMPLEMENTATION & REPORTING:

- i. The CSR Committee, for the proper implementation of CSR activities may form CSR Action Team and will assign the task of implementation of the CSR plan within specified budgets and timeframes to such persons or bodies as it may deem fit. The CSR Action Team shall review the implementation of the CSR activities and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR activities in accordance with this Policy. The CSR Action Team will provide a periodical status update to the CSR Committee on the progress of implementation of the approved CSR Programmes carried out. It shall be the responsibility of the CSR Committee to review such reports and keep the Board apprised of the status of implementation of the same.
- ii. On completion of the CSR activities, the Chairman of the CSR Committee shall provide a detailed report to the Board including but not limited to activities done, amount spent, benefits, time consumed, type of beneficiary communities, implementation channel etc.
- iii. The CSR Committee for the effective implementation of CSR Policy shall promote CSR activities as approved by the Board by offering opportunities to employees to participate in wide array of CSR activities.

XI. REPORTING AND DISPLAY OF CSR ACTIVITIES ON THE WEBSITE

- a) The Board's Report of the Company shall include an Annual Report on CSR containing particulars as specified in the applicable Annexures of the Companies (CSR Policy) Amendment Rules, 2021.
- b) The Board of the Company shall disclose the following on its website for public access:
 - i. The composition of the CSR Committee
 - ii. The CSR Policy of the Company
 - iii. CSR projects as approved by the Board for public access.

XII.AMENDMENT:

The Board of Directors may, based on its assessment of the Company's needs, financial soundness, legal and regulatory developments, subject to compliance with the applicable laws and rules, at any time modify, change, vary, alter, amend, this CSR Policy.

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