

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1.0 OVERVIEW:

Corporate Social Responsibility (CSR) can be described as a process for embracing responsibility for the company's actions and encouraging a positive impact through its activities on the environment, consumers, employees, communities, and other stakeholders. CSR also acknowledges the debt that a corporate owes to the community within which it operates and also defines business corporation's partnership with social action groups in providing resources to support development plans, especially among disadvantaged, marginalized and underprivileged sections of the society.

2.0 TITLE:

- a) This Policy shall be known as '**TKEI Corporate Social Responsibility Policy**' (hereinafter referred to as "CSR Policy") and framed pursuant to the provisions of Section 135 of the Companies Act, 2013 and Rules framed thereunder.
- b) The CSR Policy has been approved as under:

Version 0	Original CSR Policy	Approved by CSR Committee and the Board of Directors at their respective meetings held on 29 th January 2015
Version 1	Amendment in relation to utilization of funds	Approved by CSR Committee and the Board of Directors at their respective meetings held on 15 th March 2017
Version 2	Amendment in re-constitution of CSR Committee	Approved by CSR Committee and the Board of Directors at their respective meetings held on 31 st July 2018

3.0 THRUST AREA:

The Company may identify any of the activities mentioned in Schedule VII of the Companies Act, 2013, as amended from time to time, as its specific thrust area and may initiate its CSR efforts in such selected thrust area.

4.0 CSR COMMITTEE:

The Board of Directors at their meeting held on 18th November 2014, had constituted a CSR Committee of the Company, as amended from time to time. The amended terms of reference of the CSR Committee shall be as under:

Composition	Mr. Bharat Vishnani, Managing Director Mr. Jurgen Bohler, Director Mr. Manish Mehan, Director
Chairman	Mr. Bharat Vishnani, Managing Director
Meetings	As and when required
Quorum	2 (two) members personally present
Invitees	The Committee may invite any other official(s), person(s), and/or expert(s), as it may deem necessary as invitee(s) to the meeting.
Secretary	Company Secretary of the Company shall act as Secretary to the Committee

5.0 SCOPE OF CSR COMMITTEE:

The details scope of actions of CSR Committee shall be as under:

- a) To formulate / amend CSR Policy and recommend the same to the Board of Directors for its approval;
- b) To formulate plans and policies for performing various CSR activities in the Thrust Areas;

- c) To identify specific Thrust Areas / Projects / Activities / Expenditure, which shall be undertaken by the Company and recommend the same to the Board of Directors for its approval;
- d) To ensure alignment of CSR objectives with Company's corporate strategy;
- e) To finalize modalities of execution, implementation schedule and monitoring mechanism for each CSR Project;
- f) To take various steps for implementation of various CSR plans and policies;
- g) To monitor the performance of CSR activities and take corrective actions, if any, required in this regard;
- h) To delegate the responsibility of performing / coordinating CSR activities to any employee(s) of the Company;
- i) To authorize officials to engage into engagement/collaboration with any specialized agencies like panchayats, associations, authorities, NGOs, institutes, academic organizations, trusts, self-help groups, Government / Semi Government / autonomous organizations, professional organizations and to amend/terminate their engagements, if required;
- j) To recommend to the Board, the annual budget, planned and unplanned expenditures of CSR activities;
- k) To ensure proper fund utilization for accomplishment of objectives;
- l) To determine and recommend the source of funds / resources for the purpose of carrying on CSR activities, to the Board of Directors for their approval;
- m) To evaluate the Company's social responsibility status annually;
- n) To review, approve and place before the Board of Directors, the Action Taken Report for CSR activities undertaken during the year;
- o) To provide 'Annual Report on CSR Activities' to the Board of Directors for inclusion in the Company's Annual Report;
- p) To get the special audit done for CSR activities, if need be, and place the Audit Report before the Board of Directors;
- q) To comply with provisions of CSR Policy, monitor the same periodically and make recommendations to the Board of Directors for amendments, as may be deemed appropriate;
- r) To ensure compliance of Companies Act, 2013 and Rules framed thereunder;

- s) To perform any other duty as may be delegated by the Board of Directors of the Company from time to time;
- t) To do all such other acts, deeds and things that may be required for performance of CSR activities.

In carrying out the responsibilities, the CSR Committee policies and procedures shall remain flexible in order to respond to changing conditions and circumstances.

6.0 FUNDING AND ALLOCATION:

- a) The Company shall allocate such percentage of funds for CSR, as may be prescribed by the Central Government from time to time (presently 2% of average net profits made during the immediately preceding three financial years). Further, any income or surplus arising out of CSR activities shall be re-invested in CSR.
- b) In those circumstances, where the CSR Committee of the Company receives any contribution / sponsorship / donation for the purpose of CSR activities, it shall utilize the same for the accomplishment of the objectives for which such contribution / sponsorship / donation was received and shall submit certificate to the donor regarding end-use utilization of funds donated by them.
- c) Any surplus arising out of the CSR Project(s) / programs / activities shall not form part of the business profits of the Company.

7.0 PERMISSIBLE CSR EXPENDITURE:

- a) All expenditures on CSR shall be accounted except any expenditure which is not allowed or not in conformity with the provisions of the Companies Act, 2013 and Rules framed thereunder.
- b) The CSR Projects undertaken in India shall only be considered for CSR expenditure.

- c) The CSR Committee may spend funds in building CSR capacities of Company's personnel or personnel of Implementation Agency through institutions with established track record of at least three financial years, however, such expenditure shall not exceed 5% of total CSR expenditure of the Company in any one financial year.

8.0 IDENTIFICATION OF PROGRAMS:

The CSR Committee shall identify the CSR Project / programs / activities on the basis of any of the following:

- a) Need Identification Studies done by professional institutions / agencies; or
- b) Internal need assessment done by team at local level; or
- c) Proposal, discussions or requests received from government authorities / Civic bodies / NGOs or any other organization; or
- d) Such other method as may deem fit and proper.

The activities carried out by the Company in normal course of business or for the sole benefit of employees of the Company and their families shall not be considered as CSR activities.

9.0 IMPLEMENTATION:

- a) The investment in CSR activities should be project based (each such project is referred to as "CSR Project"). The finalized schedule for each of the CSR Project containing details of Project, modalities of execution, implementation schedule and monitoring mechanism shall form Annexure to this CSR Policy, in the format annexed herewith as Exhibit A. The approved Annexures for each financial year shall form part and parcel of this CSR Policy.
- b) The CSR Projects shall be implemented and executed through a registered trust or a registered society or company established under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956) by the Company or its subsidiary or associate company (hereinafter referred to as "Implementation Agency").

- c) The Company may also collaborate with other companies for undertaking projects or programs in such a manner that CSR Committees of respective companies are in a position to report separately on such projects or programs.
- d) In case the Implementation Agency is not established by the Company, then it shall have an established track record of three years in undertaking similar projects or programs.
- e) The modalities of utilization of funds by the Implementation Agency along with monitoring and reporting mechanism shall be specified by the CSR Committee.
- f) The Implementation Agency shall perform the activities ethically and transparently to upkeep the objective of CSR and shall submit periodic performance report (including fund utilization report) to the Committee for their action thereon.
- g) The Company shall give preference to the local area and areas around it where it operates.

10.0 MONITORING:

The CSR Committee shall institute a transparent monitoring mechanism for implementation of CSR Projects and regularly monitor the activities undertaken by measuring the performance with the benchmarked milestones. The CSR Committee or any person authorized by it may obtain feedback from the direct beneficiaries of the CSR activities. Also, CSR Committee may also request Implementation Partners to perform monitoring exercise on its behalf.

In case of CSR projects sponsored by third parties, periodic certificates depicting the status of the project, end-use fund utilization and other requisite details shall be provided to the sponsor at regular interval and upon completion of the project.

11.0 INFORMATION DISSEMINATION:

The Company's engagement in the CSR activities shall be disseminated through website, annual report, journals and other communication media, in the specified format if required.

EXHIBIT A

FINANCIAL YEAR: _____

1. Brief outline of CSR Policy:

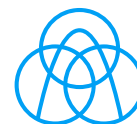
2. Composition of CSR Committee:

3. Average Net Profit for last 3 financial years:

4. Prescribed CSR Expenditure (@2% of amount mentioned in point 3 above):

5. Details of CSR spend during the financial year:
 - a. Total amount to be spent for the financial year _____:
 - b. Amount unspent, if any:
 - c. Manner in which amount shall be spent during the financial year _____:

CSR Project or Activity	
Sector in which the Project is covered	
Project or programs: (1) Local Area or other (2) Specify the State and district where projects or program was undertaken	
Amount Outlay (Budget) project or program wise	



Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	
Cumulative expenditure upto the reporting period	
Amount spent: Direct or through Implementing Agency	