



Transformers and Rectifiers (India) Limited

Corporate Social Responsibility Policy

[Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time]

Last amended on	Authorised by
01 st August, 2025	Board of Directors

1. Preamble

The concept of Corporate Social Responsibility (“**CSR**”) has gained prominence from all avenues. CSR is closely linked with the principles of sustainability; an organisation should take decisions not only on financial considerations but also with due regard to social and environmental consequences.

This CSR Policy has been formulated in accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time (“**CSR Provisions**”). It reflects TARIL’s dedication to sustainable development, inclusive growth, and the highest standards of corporate governance and transparency.

2. Objective of the policy

Transformers and Rectifiers (India) Limited (“**TARIL**” or “**the Company**”) has always believed in the “Power of We.” This core value of the Company embodies inclusivity, where “We” extends to society at large and the environment as well. Accordingly, the Company seeks to practice its values through a commitment to operate in a socially and environmentally responsible manner while meeting the legitimate interests of its stakeholders.

TARIL endeavors to integrate CSR into its key business processes as a driver of sustainable development. While the Company remains committed to enhancing shareholder value, it also acknowledges its duty to contribute meaningfully to society and the environment, thereby creating long-term positive impact.

The objectives of this Policy are to:

- Support socially and economically disadvantaged sections of society in overcoming hardship and impoverishment.
- Reinforce organisational commitment at all levels towards being a socially and environmentally responsible corporate citizen.
- Demonstrate dedication to the common good through responsible business practices, ethical conduct, and good governance.

3. Definitions

For the purpose of this Corporate Social Responsibility Policy (“**Policy**”), unless the context otherwise requires, the following terms shall have the meanings assigned to them hereunder:

- a. **“Act”** means the Companies Act, 2013, including any statutory modification(s), amendment(s), or re-enactment(s) thereof.
- b. **“Board”** means the Board of Directors of Transformers and Rectifiers (India) Limited (“the Company”).
- c. **“Company” or “TARIL”** refers to Transformers and Rectifiers (India) Limited.
- d. **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board constituted in accordance with the provisions of the Act.
- e. **“Policy”** means this Corporate Social Responsibility Policy, as may be amended from time to time.
- f. **“Rules”** mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 or any other rules prescribed under section 135 of the Act and pertaining to corporate social responsibility, including any statutory modification(s), amendment(s), or re-enactment(s) thereof.
- g. **“Corporate Social Responsibility (CSR)”** means Corporate Social Responsibility as defined under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any amendments thereof.
- h. **“Net profit”** means Net profit as defined under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any amendments thereof.

Words and expressions used in this Policy and not defined herein shall have the same meaning respectively assigned to them under the Act and the Rules.

4. Guiding Principles

4.1. Guiding Principles for Selection of CSR Activities

- The CSR Committee shall give preference to the local areas where the Company operates or has offices, including areas in the vicinity of its factories, depots, and field offices, while spending the amount earmarked for CSR activities.
- CSR Committee shall give preference to the identified focus areas activities selected under Schedule VII of the Act. The focus areas include:
 - a. **Health & Nutrition**
 - Initiatives for eradicating hunger, poverty, and malnutrition.
 - Promoting healthcare, including preventive healthcare, maternal and child health, and sanitation.
 - Providing access to safe drinking water.

b. Education & Skill Development

- Promoting education, including special education for differently abled children.
- Supporting employment-enhancing vocational skills, livelihood enhancement projects, and digital literacy programmes.

c. Women Empowerment & Social Equity

- Promoting gender equality and empowering women.
- Establishing homes and hostels for women, orphans, and senior citizens.
- Supporting initiatives that reduce inequalities faced by socially and economically backward groups.

d. Environment & Sustainability

- Promoting environmental sustainability, ecological balance, and conservation of natural resources.
- Protection of flora and fauna, animal welfare, afforestation, and soil, air, and water quality initiatives.

e. Heritage, Culture & Sports

- Protection and promotion of national heritage, art, culture, and traditional handicrafts.
- Restoration of heritage buildings, monuments, and works of art.
- Support for rural sports, nationally recognised sports, Paralympic sports, and Olympic sports.

f. Community Development

- Rural development projects, including infrastructure, livelihood, and community welfare.
 - Slum area development projects as notified by competent authorities.
 - Disaster management, including relief, rehabilitation, and reconstruction activities.
- While recommending CSR activities, the CSR Committee shall also consider national and state-level priorities and objectives.
 - The CSR Committee shall not discriminate against beneficiaries 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.

4.2. Guiding Principles on Implementation of CSR Activities

- CSR projects shall be implemented either directly by the Company or through eligible agencies that satisfy the conditions prescribed under the Act and Rules.
- Any agency engaged by the Company to carry out CSR projects/programmes shall be an independent entity and shall operate in compliance with the Company's CSR Policy, the Act, the Rules, and the list of activities specified in Schedule VII of the Act. The Company shall ensure that all projects and activities undertaken reflect transparency, accountability, and efficiency in execution.
- The Company may also collaborate with other companies, including subsidiary companies, to undertake CSR projects, provided that each company reports separately on such projects/programmes in accordance with the Act and Rules.
- The Company shall ensure that agencies possess relevant experience, high credentials, and a strong track record before engagement and shall obtain, at the time of engagement, all required documents, including incorporation/registration certificates, CSR-1 registration number, and any other requisite documents as applicable.
- The Company shall obtain from agencies progress reports and/or utilisation certificates, duly certified by a Chartered Accountant or an authorised officer, confirming that CSR funds have been utilised solely for the purposes approved.
- Engaged agencies shall allow representatives of the Company or the CSR Committee to conduct site visits, inspections, and reviews to verify implementation and utilisation of CSR funds.
- Engaged agencies shall facilitate audits, review meetings, and impact assessments, where required, by providing the necessary data and documentation.

4.3. Guiding Principles on Monitoring of CSR Activities

- The CSR Committee shall monitor the implementation of CSR projects against the approved plans, budgets, and timelines. Where CSR activities are undertaken through an Implementation Agency, such agency shall be responsible for monitoring the activities under the overall oversight of the CSR Committee and shall establish an appropriate mechanism to ensure compliance with the approved Annual Action Plan, Act, Rules and this Policy.
- The Company shall maintain a system of regular evaluation and review to ensure effective utilisation of CSR funds. Monitoring may include third-party audits, impact assessments, self-assessment reports, field visits, periodic reviews, or any other appropriate mechanism.
- The Chief Financial Officer or the person responsible for financial management shall certify that CSR funds have been disbursed and utilised for the purposes and in the manner approved by the Board and the CSR Committee.

- The CSR Committee shall review the progress and implementation of the Annual Action Plan.
- Impact assessment through an independent agency shall be undertaken, wherever applicable, in accordance with Act and Rules and reports thereof shall be placed before the Board and annexed to annual report on CSR.

4.4. Guiding Principles on Formulation of the Annual Action Plan

- The CSR Committee shall recommend to the Board an Annual Action Plan for each financial year.
- The Annual Action Plan shall include:
 - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ii. the manner of execution of projects or programmes;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. the monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the Company.
- The Board shall review and approve the Annual Action Plan formulated and recommended by the CSR Committee, with such alterations as it may deem necessary during the financial year on the basis of recommendations from CSR Committee, based on reasonable justification.

5. CSR Expenditure

- Every financial year, the Company shall spend at least two percent of the average net profits of the Company made during the three immediately preceding financial years, or such higher amount as may be prescribed on the CSR Activities as per approved Annual Action Plan.
- The Company may book administrative expenses and impact assessment costs towards CSR expenditure for the relevant financial year, provided that such expenses shall not exceed the limits prescribed under the Act and the Rules.
- 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 specified in Schedule VII of the Act 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 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 spent in accordance with this Policy towards the eligible CSR Activities.

6. Constitution, Composition and Scope of Corporate Social Responsibility Committee (CSR Committee)

a. Constitution of the CSR Committee

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee ("CSR Committee") of the Board in compliance with the provisions of Section 135 of the Act and the rules made thereunder.

- The CSR Committee shall consist of three or more Directors, including at least one Independent Director, if applicable.
- The Chairperson of the CSR Committee shall be appointed by the Board from among the members of the Committee.

b. Composition of the CSR Committee

The members of the CSR Committee, as approved by the Board and continuing as on the date of the last approval of this Policy, are as follows:

Name	Designation	Role
Mrs. Karuna J. Mamtora	Executive Director	Chairperson
Mr. Jitendra U. Mamtora	Whole Time Director	Member
Mr. Subir Kumar Das	Independent Director	Member

Invitees to the CSR Committee: The CSR Committee may, at its discretion, invite employees of the Company and/or external professionals to attend its meetings and provide assistance in the implementation, monitoring, and evaluation of the CSR Policy.

c. Scope of the CSR Committee

The CSR Committee shall exercise the powers and perform the duties as prescribed under Section 135 of the Act and the Rules made thereunder, including the following:

1. Monitor the Policy of the Company from time to time and recommend to the Board amendments to the Policy, which shall indicate the activities to be undertaken by the Company in areas or subjects specified in Schedule VII of the Act.
2. Recommend the amount of expenditure to be incurred by the Company in areas or subjects specified in Schedule VII in a financial year.
3. Monitor the implementation of CSR projects with reference to approved plans and budgets in accordance with the CSR Policy and Act.

4. Ensure compliance with statutory requirements relating to CSR, including impact assessments where applicable.
5. Formulate and recommend to the Board the Annual Action Plan in accordance with Para 4.4 of this Policy.
6. Recommend to the Board the appointment of eligible implementing agencies for execution of CSR projects in accordance with Para 4.2 of this Policy.
7. Review the status of CSR expenditure and recommend to the Board any adjustments, including proposals for set-off of excess CSR spending in accordance with the Act and Rules.
8. Oversee the conduct of impact assessments, where applicable, and review the findings before placing them before the Board.
9. Prepare and recommend to the Board the Annual Report on CSR, in the format prescribed under the Act and Rules, for its approval and inclusion in the Board's Report.
10. Perform such other functions relating to CSR as may be assigned to it by the Board from time to time.

7. Meetings and Quorum of CSR Committee

1. The CSR Committee shall meet as often as may be required for the discharge of its functions in accordance with the Act and the Rules.
2. The quorum for meeting of the CSR Committee shall be two members.
3. The meetings of the CSR Committee shall be presided over by the Chairperson of the Committee. In the absence of the Chairperson, the members present at the meeting shall elect one among themselves to preside.
4. The Company Secretary of the Company shall act as the Secretary to the CSR Committee and shall be responsible for recording the minutes of the meetings.
5. The minutes of the meetings of the CSR Committee shall be placed before the Board of Directors for noting and necessary action.

8. Scope of the Board of Directors in relation to CSR

The Board of Directors shall exercise its powers and perform its duties in relation to CSR in accordance with Section 135 of the Act and the Rules made thereunder, including the following:

1. Approve and adopt the Policy, as recommended by the CSR Committee, and disclose the same in the Board's Report and on the Company's website, as prescribed under the Act.
2. Ensure that the activities included in the CSR Policy are undertaken by the Company in areas or subjects specified in Schedule VII of the Act.
3. Approve the amount of expenditure recommended by the CSR Committee and ensure that the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, or such higher amount as may be prescribed.

4. Review and approve the Annual Action Plan recommended by the CSR Committee in accordance with Para 4.4 of this Policy, with such alterations as it may deem necessary during the financial year.
5. Oversee the implementation of CSR projects, including monitoring the utilisation of funds, and ensure compliance with reporting requirements under the Act and Rules.
6. Ensure disclosures relating to the composition of the CSR Committee, CSR Policy, and approved CSR projects are made available on the Company's website.
7. Approve the Annual Report on CSR, as required under the Act and Rules, for inclusion in the Board's Report.
8. Exercise discretion to set off any excess CSR expenditure incurred against the requirement of subsequent financial years, subject to the provisions of the Act and Rules.
9. Approve the appointment of eligible implementing agencies for execution of CSR projects in accordance with Para 4.2 of this Policy.
10. Ensure that the Chief Financial Officer or the person responsible for financial management certifies that CSR funds have been disbursed and utilised for the purposes and in the manner approved by the Board.
11. Ensure that in case the Company fails to spend the prescribed amount on CSR, reasons for such shortfall are specified in the Board's Report, and unspent amounts are transferred to the funds specified in Schedule VII of the Act within specified timelines.
12. Take note of impact assessments, where applicable, and ensure disclosure of the same in the manner prescribed under the Act and Rules.

9. Disclosures

The composition of the CSR Committee and contents of CSR Policy shall be disclosed in the Board's Report. In addition, the Board of Directors shall ensure that the CSR Policy, the composition of the CSR Committee, and details of CSR projects approved by the Board are published on the Company's website for public access, in accordance with the provisions of the Act and the Rules.

10. Review and Amendment

This Policy shall remain in force unless amended or withdrawn and shall be subject to review by the Board of Directors as and when considered necessary.

Any subsequent amendment or modification in the Act and the applicable Rules, to the extent relevant to this Policy, shall be deemed to have been incorporated in this Policy automatically and the provisions hereof shall stand amended or modified accordingly, even if such changes are not expressly recorded herein.
