

# TECHNICAL ASSOCIATES LIMITED

## CORPORATE SOCIAL RESPONSIBILITY POLICY

(issue date – 29<sup>th</sup> October, 2014)

Technical Associates Limited ( CIN U31300UP1988PLC007884) having registered office at Triveni House, 1 Newal Kishore Road, Lucknow (U.P) – 226 001 has adopted this Corporate Social Responsibility policy version 1 in terms of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Section 135 of the Companies Act 2013, requires the Company to constitute a Corporate Social Responsibility (CSR) committee of Directors, adopt a CSR policy, spend at least 2% of its average net profit made during the immediately preceding three financial year towards CSR activities as set out in schedule VII of the Companies Act, 2013 and confirm compliance thereof in the Annual Report.

Accordingly on the recommendation of the CSR Committee this policy was reviewed and approved by the Board of Directors of the Company at its meeting held on 29<sup>th</sup> October 2014 and deemed to have come in effect from 29<sup>th</sup> October, 2014

<b>Title</b>	<b>Particular</b>
<b>Reviewing Authority</b>	Corporate Social Responsibility (CSR) committee of Directors
<b>Approving Authority</b>	Board of Directors of the Company
<b>Document Status</b>	Approved by Board on 29.10.2014
<b>Version</b>	1
<b>Effective Date</b>	October 29,2014
<b>Review Cycle</b>	Annually or as recommended by (CSR) committee

## Index

1.	Preamble	
2.	Objectives	
3.	Areas to be covered	
4.	Activities	
5.	Funding	
6.	Implementation Strategy	
7.	Monitoring	
8.	Evaluation Audit	
9.	CSR Report	
10.	Changes/modification in CSR policy <sup>sm</sup>	

## **1. PREAMBLE:**

**Technical Associates Ltd. (TAL)** – An ISO 9001:2008 Company is known to be one of India's oldest, reputed manufacturers of Power and Distribution Transformers. From humble beginnings in 1967 as a partnership firm; almost four decades back, Technical Associates Ltd. has today grown into a nationally respected and known Power Transformer manufacturing company. Technical Associates Ltd. registered as a company incorporated under the Indian Companies Act, 1956 in 1973. TAL has successfully supplied more than 600,000 (approx. 50,000 MVA) transformers which are in active service across India, Bangladesh and Nepal, helping bring light and warmth to millions of families from the remotest corners of the subcontinent to the heights of the Himalayas.

Through consistent performance spanning several decades, TAL Transformers have built a strong reputation for quality, ruggedness and reliability – with a capacity to withstand the vagaries of T&D networks and minimizing the total cost of ownership for customers. Contribution to society through our business activities is the guiding philosophy behind all its endeavours.

Technical Associates Limited has always been sensitive towards the society, workers & other stakeholders. This year TAL has decided to codify its CSR policy to prepare itself for a new era of innovation leading to sustainable and profitable growth, while creating long term value for our shareholders, our people and our customers, as clearly defined in its Vision statement:

The Vision of Technical Associates Limited is to:

1. Build an organisation that is benchmarked, recognised and respected globally as leading infrastructure developers.
2. Define industry standards for Quality, Cost competitiveness, Technological superiority and Turnaround cycle times.
3. Use business growth as instrument to give back to society.
4. Contribute to national growth – play a constructive role in development of India.

Corporate Social Responsibility is Company's sense of responsibility toward the community and environment in which it operate. It is continuing commitment by Company to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods.

## 2. **OBJECTIVES:**

The main objective of CSR Policy is to lay down guidelines for undertaking CSR initiatives in line with the rules framed by the Government of India for making sustainable growth along with sustainable development of society.

The Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the concept of CSR to the forefront and through its "Comply-or-Explain" mandate and put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance. It mandates qualifying Companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company.

Though this policy has been formulated in terms of section 135 of the Companies Act, 2013 and the CSR Rules to undertake CSR activities which are specified in Schedule VII of the Act, the Company right from inception has made consistent effort to maintain an active Corporate Social Responsibility portfolio. Technical Associates Limited will act as a good Corporate Citizen, subscribing to the Global standards. Technical Associates Limited would also aim to minimize social risks associated with operations of the project site through the policies described in the document.

## 3. **AREAS TO BE COVERED:**

The activities approved by the CSR Committee would normally be covered. 80% of the budgeted amount shall be spent on CSR activities within the radius of 50 Km of the Registered office/Works/Corporate Office at Lucknow or its plant at Sitarganj, Uttarakhand & 20% of the budget would be spent on other CSR activities.

#### 4. **ACTIVITIES:**

Technical Associates Limited shall undertake CSR activities in the areas specified under Schedule VII of the Companies Act 2013 and areas as notified through circulars and notifications issued by Ministry of Corporate Affairs from time to time.

The major thrust of the company shall be promotion of education, health and ensuring environmental sustainability.

CSR Committee shall frame detailed guidelines for undertaking the above activity.

#### 5. **FUNDING:**

For undertaking CSR initiatives TAL shall mainly have two type of funds:

**Internal:** In line with the provisions of section 135 of the Companies Act, 2013, on recommendation of CSR committee the Board shall allocate up to 2% of average net profit during last three financial years, for CSR budget for each financial year. If CSR committee has no allocation for particular year, it shall submit its recommendations justifying reasons. The Board shall have power to accept (with or without modifications)/reject the recommendations, but shall have to record its reasons for making any deviation. It is clarified that any income on funds allocated for CSR or surplus arising out of the CSR activity will not be part of business profits of a company, but shall be part of CSR Corpus and shall be used for CSR.

For the purpose of this policy, the First CSR spending financial year would be 2014-15 and the net profit shall mean average of annual net profits of the financial years 2011-12, 2012-13 and 2013-14.

**External:** CSR Committee shall have powers to raise funds, accept grants/donations/sponsorship etc. in CSR vehicle chosen for undertaking CSR initiatives.

## **6. IMPLEMENTATION:**

- A. **Identification:** In line with the guidelines framed by CSR Committee the CSR activities proposed to be undertaken with the allocated budget shall be identified.
- B. **Project:** Each activity shall be undertaken as a project and Project report shall be approved by the Board on the recommendation of the CSR Committee. Project Report shall clearly define mile stones and evaluation mechanism.

### **C. CSR COMMITTEE:**

#### **C.1 Constitution**

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist three or more Directors out of which at least one director shall be an independent director.

Following are the members of CSR Committee as approved by Board meeting held on 16.10.2014:

1. Mr. Vishnu Agarwal, Managing Director
2. Mr. Vinamra Agarwal, Whole time Director
3. Mrs. Saroj Agarwal, Whole time Director

#### **C.2 Powers of the Committee**

Following are the Powers of the CSR Committee:

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- (ii) Recommend CSR activities as stated under Schedule VII of the Act.
- (iii) Recommend to the board regarding creation of trust/society/ section 8 company to undertake CSR activities.
- (iv) Recommend to the board to undertake CSR activities in collaboration with other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules

- (iv) Recommend the CSR Budget
- (v) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- (vi) Create transparent monitoring mechanism for implementation of CSR Initiatives in India
- (vii) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- (viii) Monitor CSR Policy from time to time
- (ix) Authorize executives of the Company to attend the CSR Committee Meetings

### **C.3 Frequency of the Meetings of the CSR Committee**

The CSR Committee shall meet at least twice in a year. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be 1/3 of its total strength or two whichever is higher. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made there under from time to time. The Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.

- D. Training & Capacity Building:** Technical Associates Limited would endeavor to generate awareness among all levels of their staff and volunteers on CSR projects so as to integrate its social processes with the business. It will also make efforts to train the staff in building capacity and sensitization on continuous basis. Technical Associates Limited would also make efforts to build capacity of other stake holders and volunteers by sharing knowledge and experience of CSR projects, in particular on implementation and monitoring aspects.

### **E. Expenditure on CSR capabilities**

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies, if any and such expenditure shall not exceed 5% of the total CSR spending of the Company as stated in the Rules from time to time. Determination of whether a particular expenses fall within this 5% cap can be decided in consultation of the

General Manager /Chief General Manager of the Company based on the clarification available from time to time in this regard.

### **E.1 Failure to spend the CSR Money**

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

## **7. Monitoring:**

A Two-tier monitoring mechanism for the CSR projects would be developed. Template of monitoring report is provided at Annexure – 1.

- a) **Internal:** The implementation of identified CSR Projects at the operating station would be regularly monitored, there, preferably on a Quarterly basis by group setup by CSR Committee and shall be updated on website of Technical Associates Limited. Progress of the activities would also be reviewed at yearly basis and report will be submitted to the Management.
- b) **External:** For each activity/ project planned to be executed, a monitoring committee, comprising of representatives of executing agency, beneficiary target village and actual users / their representatives may be constituted, who would oversee the execution of the work for the purpose of satisfactory completion in terms of cost / time parameters. The committee would also provide required feedback and inputs to formulate and improve the projects in future, from time to time, as per need and requirement. On recommendation of CSR Committee monitoring may also be undertaken by specialized agencies.

## **8. Evaluation Audit:**

Evaluation Audit generally shall be undertaken on completion of particular project. However if CSR Committee desires it may be undertaken at such intervals as may be directed. Evaluation Audit team shall be constituted by CSR Committee and may include experts/professional from outside as well. Audit team shall evaluate the impact of project and submit its report to the CSR Committee for onward submission to the Board alongwith its comments.

### **9. CSR Report:**

In terms of the requirement of section 135 of the Companies Act, 2013 and rules made there under CSR Report shall be prepared on annual basis in proforma prescribed there under

(Annexure - 2) and shall be annexed with the Annual Report of Technical Associates Limited and also placed on website. CSR Committee shall also submit a responsibility statement that CSR policy has been followed in letter and spirit in compliance with CSR Objectives.

### **10.Changes/ Modification in CSR Policy:**

Changes in CSR Policy can be made on the recommendation of CSR Committee by the Board of Technical Associates Limited. Updated CSR Policy shall be placed on website and informed to all concerned.

**Template of Monitoring Report****Part A: Cover page**

Operating Station/offices other locations:

Reporting period:

Geographical area of intervention: name of the villages, map of the villages:

Summary of projects being reported:

**Part B: Achievements**

Name of the sub project/ sub project code	Intended outputs	Outputs achieved	Intended activities	Activities accomplished
Xxx				

**Challenges:** (Challenges would incorporate the reasons of deviations in the indented and achieved/ accomplished outputs/activities)

sub project/ sub project code	Break up of budget allocated for the reporting duration	Break up of amount spent for the reporting duration	Reasons for deviation
Xxx	Xxx		

**Part C: Sector-wise achievement analysis**

Sub project	Quantifiable indicators/ deliverables	Situation as per baseline survey	Situation as per previous report	Present situation	Remarks on progress /achievement/ challenges
Eg. Education					
Eg. Health					
Eg.Environment					

**Part D: Support received from the local authorities/government****Part E: Case studies / success stories****Part F: Lessons learnt****Part G: Intended outputs and activities for the next reporting period**



		d	2.specify the state /district  (Name of the District/s, State/s where project/progra mme was undertaken	progra mme wise	mme Subhead  1. Direct expendit ure on project, 2.Overh eads:	reporting period.	g agency*
1.							
2.							
3.							
	<b>TOTAL</b>						

*\*Give details of implementing Agency:*

7. In case the company has failed to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, please provide the reasons for not spending the amount
8. A Responsibility statement, of the CSR Committee, that the CSR policy implementation and monitoring thereof is, in letter and spirit, in compliance with CSR objectives.