



SMARTEN POWER SYSTEMS LIMITED

Corporate Social Responsibility Policy

[Pursuant to Section 135 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Companies (Corporate Social Responsibility) Rules, 2014]

(Adopted by Board of Directors in its meeting held on 21/11/2024. Effective from 21/11/2024)

SMARTEN POWER SYSTEMS LIMITED

CIN: U31401HR2014PLC052897

Registered Office:

Plot no. 374, Pace City- II,

Sector - 37, Gurgaon,

Haryana- 122001



SMARTEN CSR POLICY

➤ **SHORT TITLE:**

This policy in relation to the Corporate Social Responsibility ("CSR") Smarten Power Systems Limited ("the Company") is titled the "**Smarten CSR Policy**" and shall include any alterations, amendments or modifications hereto from time to time.

➤ **SCOPE AND APPLICABILITY:**

This Policy shall be applicable to all CSR initiatives undertaken by the Company in pursuance of the requirements of Section 135 and Schedule VII of Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (including any statutory modifications, amendments, or re-enactments of any of them for the time being in force).

➤ **COMPANY PHILOSOPHY AND OBJECTIVE FOR CSR POLICY:**

The introduction of a formal legal framework for Corporate Social Responsibility (CSR) by the Government has institutionalized both the community development approach and the corporate philanthropic and reformative approach. The Company fully supports this initiative and is committed to conducting its business in a fair, transparent, and ethical manner, while contributing positively to the society in which it operates.

The primary objective of this CSR Policy is to establish and outline the guiding principles and strategic approach for implementing the Company's CSR initiatives as an integral part of its business operations, with a focus on sustainable societal development. The Company endeavors to promote social inclusion by addressing the needs of underprivileged and differently-abled individuals, and by contributing to the economic and socio-cultural development of communities. Recognizing society as a key stakeholder, the Company remains committed to enhancing the quality of life in its areas of operation and acknowledges its responsibility to give back to society through meaningful CSR activities.

➤ **POLICY GUIDELINES:**

- All CSR Projects must be aligned as prescribed in Schedule VII of the Companies Act, 2013.
- CSR projects or programmes (except training of Indian Sports Personnel representing any State or Union territory at national level or India at international level) must be undertaken in India.
- CSR projects or programmes must not include the initiatives undertaken in pursuance of normal course of business of the Company.



- Projects or programmes that benefit only the employees of the Company and their families of the Company shall not be considered as CSR.
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR.
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India will not qualify towards CSR requirements.
- Activities supported by the Companies on sponsorship basis for deriving marketing benefits for its products or services shall not be considered as CSR.

➤ **CSR COMMITTEE:**

The Board of Directors of the Company in its Meeting held on November 21, 2024 has constituted the Corporate Social Responsibility Committee of the Board of Directors in compliance with Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee comprised of following Members:

DIN	Name	Designation in committee	Nature of Directorship
10794684	Mr. Tejas Pralhad Karhadkar	Chairman	Non-Executive Independent Director
06813116	Mr. Ravi Dutt	Member	Executive Director
06813014	Mr. Rajnish Sharma	Member	Executive Director

The CSR committee shall meet at least once in every year, which shall be attended by minimum of two members of the Committee.

➤ **ROLE OF THE CSR COMMITTEE:**

The CSR Committee shall be responsible for the following activities:

- Formulating and recommending CSR activities to the board of directors;
- Recommend amount of expenditure;
- Monitor CSR policy of the company; and
- Formulate annual action plan in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items:
 - 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;
- e. details of need and impact assessment, if any, for the projects undertaken by the Company
- f. evaluation of CSR activities undertaken.
- g. Discharge such duties and functions as indicated in the section 135 of the Companies Act, 2013 and Rules made thereunder from time to time and such other functions as may be delegated to the Committee by the Board from time to time.
- h. Take all necessary actions as may be necessary or desirable and also to settle any question or difficulty or doubts that may arise with regards to Corporate Social Responsibility activities/Policy of the Company.

➤ **BUDGET FOR CSR ACTIVITY & CSR EXPENSES:**

The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year.

The CSR Committee shall recommend the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act and the Rules and the CSR Policy.

Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.

➤ **IDENTIFICATION OF CSR COMMITMENTS (PROGRAMS / ACTIVITIES):**

Pursuant to Schedule VII of the Companies Act, 2013, the Board has approved the following activities as “CSR Activities” to be undertaken under the CSR Policy of the Company.

Our commitments towards the CSR includes but not limited to the following activities:

- Eradicating hunger, poverty and malnutrition, promoting health care including 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;



- Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically back ward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- 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 arts and handicrafts;
- 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;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- 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 Government for social-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- 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 contributions to public funded Universities; Indian Institute of Technology (ITs); 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 (SIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT)
- Rural development projects;
- Slum area development

Explanation - For the purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force;

- Disaster management including relief, rehabilitation and reconstruction activities; and
- Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.

The above list is only illustrative and not exhaustive. The Corporate Social Responsibility Committee may from time to time as per the requirement and necessity decides to cover some more activities also within the financial year's CSR activities plan.

➤ **IMPLEMENTATION / EXECUTION OF CSR ACTIVITIES:**

The Company shall implement the identified CSR Projects by the following means:

DIRECT METHOD:

- The Company may itself implement the identified the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
- The Company may also implement the identified Projects/Activities through its Foundation or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
- The CSR committee may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.



INDIRECT METHOD:

The CSR activities can be undertaken by the Company through following Companies/Entity /Trust/ society having a valid CSR Registration Number –

- a) Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 124 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
- b) 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
- c) any entity established under an Act of Parliament or a State legislature; or
- d) 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.
- e) A combination of any of the above modes from (i) to (iv)

Such Companies/Entity/Trust/ society shall submit CSR proposal form as prescribed by the Company along with the request letter for contribution of CSR activities.

The CSR Committee shall provide guidance on the allocation of the CSR budget among the areas on an annual basis and seek approval from the Board.

The CSR Projects will be undertaken based on the annual action plan formulated and recommended by the CSR Committee and approved by the Board. The Board may alter the annual action plan at any time during the financial year, as per the recommendation of the CSR Committee based on reasonable justification to that effect.

➤ MONITORING AND REPORTING MECHANISM:

The Committee shall constantly monitor the implementation of the CSR activities. The progress report, including details of expenses shall place before the Committee on time to time basis.

The Committee shall review the same and suggest recommendation, if any, with regard to implementation process.



➤ **COMPLIANCE AND REPORTING TO BOARD:**

The Committee is responsible to undertake CSR activities as per the approved CSR Policy. Apart from implementation of CSR activity, a detailed report (Annual Report on CSR Activities) containing the implementation schedule, total budget allocated, actual expenses incurred, surplus arising, if any, result achieved, further work to do in connection with the CSR activity shall place before the Board for its consideration and annexed to the Board's Report.

Any surplus arising out of the fund allocated for CSR activity shall not be the part of the business profit of the Company. In case a Company spends any excess amount in CSR the same shall be set off in succeeding years if required.

➤ **CARRY FORWARD AND SET OFF THE CSR EXPENDITURE:**

If in a Financial Year Company spends an amount in excess of required CSR expenditure provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years' subject to the conditions that the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.

➤ **MANDATORY TRANSFER OF UNSPENT CSR AMOUNT:**

If the Company fails to spend the required CSR expenditure, the Board shall specify the reasons for not spending the amount in its report and, if the unspent amount does not relates to any ongoing project, the Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

If any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed under the Act, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, 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 in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be 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, the company shall 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.

➤ **REVIEW PERIODICITY AND AMENDMENT:**

- CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.
- The CSR Committee shall review the Policy at such intervals as it may deem fit.