



TD POWER SYSTEMS LIMITED

Corporate Identity Number (CIN): L31103KA1999PLC025071

Regd. Office: # 27, 28& 29, KIADB Industrial Area, Dabaspeta

Nelamangala Taluk, Bengaluru Rural District, Bengaluru- 562 111

Tel. No.: + 91 80 22995700, Fax: + 91 80 7734439

Email- investor.relations@TDPs.co.in, tdps@tdps.co.in

Website: www.tdps.co.in

CORPORATE SOCIAL RESPONSIBILITY POLICY

TD Power Systems Limited (*The Company*) or (*TDPS*), adopted a Corporate Social Responsibility Policy ("*CSR Policy*") as recommended by the CSR Committee and approved by the Board of Directors on February 11, 2015.

The said CSR policy stands revised (CSR policy 2021) to incorporate certain changes arising out of amendments to the Provisions relating to the CSR in the Companies Act 2013.

1) OBJECTIVE

In terms of the current provisions of the Companies Act 2013 (the Act), the Company is required to spend at least 2% of its average annual profits (as defined under the Act).

TDPS believes in sustainable Corporate Social Responsibility (*CSR*) efforts resulting in a meaningful action to make a positive difference to society.

The CSR Policy sets out the Scope, implementation, governance & reporting of the CSR initiatives.

2) CSR SCOPE

Schedule VII to the Companies Act, 2013 (*the Act*) shall continue to be the overall guidance for the CSR activities mandated under the Act.

As its first initiative, a project relating to integrated water & Sanitation & waste management was undertaken in 2015 for a period of 5 years. This initiative resulted in a significant change on the ground with respect to revival of water body, storm water management, solid waste management (SWM), and maintenance of public spaces, training & capacity building in SWM and citizen awareness.

Going forward, the scope of the Company's CSR initiative will be as may be mandated under the Act and not intended for an activity specifically. This will impart certain flexibility to the policy from time to time. CSR activities/ initiatives in compliance of Schedule VII of the Act, Rules made thereunder & amended from time to time shall be approved by the Board of directors based on the recommendations of the CSR Committee of the Board.

3) IMPLEMENTATION

- i. The Company may obtain required guidance for identifying CSR initiatives/projects to be pursued from any Director/s of the Company, an employee, CSR Consultants or references from implementing agencies.
- ii. CSR Activities of the Company shall be undertaken by the Company itself or in association with implementing agency/ies as may be approved by the Board of Directors from time to time.
- iii. The implementing/ Partner Agency shall meet the following basic criteria as required under the Provisions relating to CSR in terms of the latest provisions of the Act relating of CSR:
 - a. 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
 - 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.
- iv. The CSR initiatives to be undertaken shall be for a period of over 12 months up to 3 years (excluding the financial year in which the project commence) which may be renewed at the discretion of the CSR committee.

4) GOVERNANCE

The Board of Directors shall govern the CSR activities with the support of the CSR committee from time to time. The roles of the Board of Directors and the CSR committee shall be as follows:

i. Board of Directors

- a. The Board of Directors (the Board) will be responsible for compliance of the CSR requirements.

- b. The Board shall ensure that the Company spends, in every financial year, at least two per cent (2%) of the average net profits of the Company (as defined in the Act) made during the three immediately preceding financial years in pursuance of CSR.
 - c. CSR policy, initiatives & budgets to be undertaken by the Company shall be subject to the approval of the Board based on the recommendations of the CSR committee.
 - d. Report the CSR Initiatives in the Directors' report to the Members annually in the form as prescribed.
 - e. The Board shall satisfy itself that the funds so disbursed have been utilized 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 that effect.
 - f. In case of an 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.
- ii. CSR Committee:** (means a committee of the Board as constituted from time to time).
- a. Formulation and review of this CSR Policy indicating the activities to be undertaken by the Company under the CSR initiatives
 - b. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following:
 - Recommend the amount of expenditure to be incurred on the CSR activities.
 - Consultations with experts as provided under the Policy to identify the CSR initiative to be undertaken for fulfillment of the mandatory CSR.
 - Identification of implementation partner/ s.
 - the manner of execution of such projects or programs.
 - the modalities of utilization of funds and implementation schedules for the projects or programs.
 - Recommendation of project/ activity in respect of CSR project/ initiative for approval of Board.
 - Formulation of a monitoring & reporting mechanism for ensuring implementation of the projects/ programs/ activities proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR activities.
 - Report to the Board regarding the status of the CSR activities and contributions made by the Company annually.
 - Any other requirements mandated under the Act and Rules issued thereto.

5) DISSEMINATION OF INFORMATION

Periodically, the CSR Committee shall report to the Board of the Company, as to the status of the CSR projects/activities undertaken by the Company and a report on the impact created by such projects/ activities as and when completed.

The Company shall also upload this Policy on its website www.tdps.co.in.

A report on the CSR activities of the Company shall be provided annually as part of the Directors' Report as prescribed in terms of the Companies Act 2013.

6) AMENDMENTS/ MODIFICATION TO THE POLICY

The provisions of this CSR policy would be subject to revision/amendment in accordance with the provisions of the Act, as may be issued by relevant statutory authorities, from time to time. Further, the Board may amend this policy as and when required or deemed fit either on its own and/or as per the recommendations of the CSR Committee.

Bangalore

March 09, 2021

TD Power Systems Limited