



CORPORATE SOCIAL RESPONSIBILITY POLICY

1. PREAMBLE

The Concept of Social, Economic and Environmental Responsibility has always been at the forefront of PowerSpack's operating philosophy. We have truly believed in the concept that "CSR" not only means allocation of funds for the social activities but also to contribute to the society by way of promoting social, economic and environmental development.

CSR Programmes, CSR Projects and CSR Activities (collectively referred as "CSR Programmes" or "Programme") carried out by Spack Automotives Private Limited in compliance with the provisions of section 135 of the Companies Act, 2013 and the rules framed thereunder and other applicable provisions, are the subject matter of the Corporate Social Responsibility (hereinafter referred to as "CSR Policy or "Policy") of the Company.

2. COMPANY OBJECTIVES

"To actively contribute to the cause of social and economic upliftment and environmental sustainability with and around the communities and areas in which we operate. While doing so we always intend to build a sustainable way of life for the weaker and unprivileged sections of the society."

3. TITLE & APPLICABILITY

This policy may be called Corporate Social Responsibility Policy of Spack (CSR Policy) and shall apply to all CSR projects and programmes as required to be undertaken as per Section 135 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, for the benefit of marginalized, disadvantaged, poor or deprived sections of the community and the environment.

4. DEFINITIONS:

The terms used in this Policy shall have the same meaning as assigned under the relevant provisions of the Companies Act, 2013 and rules made there under.

The list of CSR activities that may be undertaken by the Company will be as per Annexure 1.

5. IMPLEMENTING AGENCY:



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The approved CSR activities, projects and programmes shall be carried out directly by the company or through an Implementing Agency in any of the following ways as the Board, on recommendation of CSR Committee, may decide:

- i. 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
- ii. 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
- iii. any entity established under an Act of Parliament or a State legislature; or
- iv. 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.

The above referred agencies shall have the unique CSR Registration Number obtained after filing of e-form CSR-1.

The Company may also undertake CSR projects or activities in collaboration with other corporate.

6. CSR COMMITTEE:

Spack has constituted a CSR Committee of the Board in compliance with the statutory requirement of the Companies Act, 2013. The Board of Directors of the company shall re-constitute the CSR Committee from time to time in compliance with statutory requirements. The CSR Committee shall comprise of a minimum of three directors.

7. FREQUENCY OF MEETINGS & QUORUM:

The meetings of the CSR Committee may be held at such periodic intervals as may be required from time to time. However, the CSR committee may conduct at least one meeting in a financial year.

8. QUORUM:

One-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher shall constitute a quorum for the Committee meeting.

9. CHAIRMAN:

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.



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10. RESPONSIBILITIES OF THE CSR COMMITTEE:

- i. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company specified in the Schedule VII of the Companies Act, 2013;
- ii. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs and activities undertaken by the Company
- iii. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- iv. To monitor the CSR policy of the Company from time to time;
- v. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy and in accordance with the Rules;
- vi. Any other matter as the Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

11. CSR TEAM:

An internal CSR Team be constituted and it will be responsible for the actual on-ground implementation of various CSR projects. It will also be responsible for:

- i. The execution of the decisions taken by the Board/CSR Committee;
- ii. To evaluate possible projects to be selected as CSR Projects;
- iii. To find suitable implementing agencies and to conduct due diligence and get approval from the Committee/Board, as may be required;
- iv. To evaluate possible collaborations with other organizations on CSR projects;
- v. To provide progress reports to the CSR Committee and the committee shall further evaluate the progress report and recommend to the board for their consideration;
- vi. To implement projects based on set targets and action plans and regularly monitor them.

12. SELECTION, FUNDING AND MONITORING MECHANISM:

- i. The CSR Activities would be selected for implementation by the Company in compliance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013.
- ii. On recommendation of CSR team and if in case progress of CSR Projects is not as per the defined milestones, the project will be evaluated by the CSR committee. If the CSR Committee finds that the



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project is not sustainable or needs modification, it will send its recommendation to the Board for necessary approval with reasonable justification.

- iii. All CSR Projects/Activities shall be monitored directly by the CSR Committee and the Board through the CSR Team.
- iv. The member of the committee is authorised to ensure the compliance with the CSR Policy of the company.

13. BUDGET FOR CSR ACTIVITY & CSR EXPENDITURE:

- i. The Board, on the recommendation of its CSR Committee, shall approve overall limits for CSR projects or programmes to be undertaken by the Company during the financial year.
- ii. The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediately preceding financial years calculated in accordance with provisions of the Act.
- iii. The Company will prefer to take up CSR projects or programmes for spending the amount earmarked for CSR at local areas and regions where the Company operates.
- iv. While approving any CSR Projects or programmes which will be treated as an Ongoing Project, the Board shall lay down the following:
 - Estimated budget outlay on CSR projects or programmes during the course of its implementation;
 - Estimated budget outlay during every financial year;
 - Manner of implementation;
 - Other necessary details.
- v. In case of CSR projects or programmes, which are not Ongoing Projects, the Board shall endeavour to complete such projects or programmes during the relevant financial year. In case for any reason(s), such projects or programmes will go beyond one year then Board may re-categories such projects or programmes as Ongoing Projects on reasonable justification.
- vi. If during any financial year, the Company is not able to meet its CSR obligation, then the unspent amount shall be treated in the manner as specified in the Act.
- vii. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.





- viii. The CSR amount can be utilized to create capital assets, but such assets shall be held by company registered under section 8 of the Act, or registered public trust or registered society having charitable objectives and having CSR Registration Number; or beneficiaries of the said CSR project (in the form of self-help groups, collectives, entities); or public authority as approved by the Board.
- ix. Any surplus arising out of the CSR projects, programs or activities will not form part of the business profit of the company and shall be treated in the following manner:
 - ploughed back into the same project; or
 - shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan of the Company; or
 - such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.
- x. Carry forward of excess CSR expenditure: The Board may during any financial year, approve CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR expenditure spent shall be carried forward for setting-off against the CSR obligation of the Company for next three consecutive financial years.

14. ROLE OF BOARD OF DIRECTORS

The Board of Spack Automotives Private Limited will be responsible for:

- i. approving the CSR policy as formulated by the CSR Committee or as amended from time to time, disclosing the contents of such policy in its report and displaying the same on the Company's website, if any.
- ii. ensuring that, in each financial year, the Company spends at least two percent of the average net profit during the three immediately preceding financial years towards its CSR Programmes. However, the profits, if any, arising from overseas branches shall not be considered for calculating the aforesaid two percent of the average profits. Further, the net profit shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 approving CSR expenditure recommended by CSR Committee and its contribution to corpus or on CSR Programmes.
- iii. ensuring through its committee that, every financial year funds allocated by the Company for CSR activities are utilized effectively through regular monitoring of implementation.
- iv. disclosing in the Board's Report the annual report on CSR activities which shall include the content of the Company's CSR Policy, composition of the CSR Committee, average net profit made during the three immediately preceding financial years, prescribed the CSR expenditure, details of CSR





amount spend during the financial year, reason for not spending the prescribed amount and a responsibility statement of the Committee that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

- v. If company spends excess amount as prescribed in Section 135(5) of the Companies Act, 2013 then Board shall pass the resolution to approve the set-off the such excess amount in succeeding three financial years subject to the condition that excess amount shall not include the surplus arising out of the CSR activities.

15. AMENDMENT TO THE POLICY

The Board of Directors on the recommendation of CSR Committee can amend this Policy as and when required. CSR Policy is subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.

The Board may review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.



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ANNEXURE 1

- i. Eradicating Hunger, Poverty and malnutrition;
- ii. Promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation;
- iii. Making availability of safe drinking water;
- iv. Promoting education, including special education and employment enhancing vocation skill especially among children, women, elderly and the differently abled;
- v. Livelihood enhancement projects;
- vi. Promoting gender equality;
- vii. Empowering women;
- viii. Setting up homes and hostels for women and orphans;
- ix. Setting up old age homes, day care centres and such other facilities for senior citizens;
- x. Measures for reducing inequalities faced by socially and economically backward groups;
- xi. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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;
- xii. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and work of arts;
- xiii. Setting up public libraries;
- xiv. Promotion and development of traditional art and handicrafts;
- xv. Measures for the benefits of armed forces veterans, war widows and their dependents;
- xvi. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- xvii. Contribution to the prime minister's national relief funds or any other funds set up by the central government for socio economic development and relief and welfare of the schedule, caste, tribes, other backward classes, minorities and women;
- xviii. 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;



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- xix. Contributions to public funded Universities; Indian Institute of Technology (IITs), National Institute of Technology (NITs); 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 (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- xx. Rural Development Projects;
- xxi. Slum area development (slum area shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force);
- xxii. Disaster management, including relief, rehabilitation and reconstruction activities;
- xxiii. Any other areas or fund or organisation which the Central Government may, through notification in the official gazette, specify from time to time.

Additional items that may be included in CSR Policy as per the MCA circular no. 21/2014:

- i. Educating the Masses and Promotion of Road Safety awareness in all facets of road usage. (Schedule VII (ii) under "promoting education")
- ii. Driver's training. (Schedule VII (ii) under "vocational skills")
- iii. Safety traffic engineering and awareness through print, audio and visual media" should be included. (Schedule VII (ii) under "promoting education")
- iv. Social Business Projects: "giving medical and Legal aid, treatment to road accident victims" should be included. (Schedule VII (i) under "promoting health care including preventive health care")
- v. Provisions for aids and appliances to the differently-abled persons. (Schedule VII (i) under "promoting health care including preventive health care")
- vi. Capacity building for farmers covering best sustainable farm management practices. (Schedule VII (ii) under "Vocational skill" livelihood enhancement projects)
- vii. Training Agriculture Labour on skill development. (Schedule VII (ii) under "Vocational skill")
- viii. Doing our own research on the field for individual crops to find out the most cost optimum and Agri-ecological sustainable farm practices. (Applied research) with a focus on water management. (Schedule VII (iv) under "Ecological balance maintaining quality of soil, air and water")





- ix. To do Product Life Cycle analysis from the soil conservation point of view. (Schedule VII (iv) under "Conservation of natural resource" and "maintaining quality of soil, air and water")
- x. Providing effective consumer grievance redressal mechanism; Protecting consumer's health and safety, sustainable consumption, consumer service, support and complaint resolution; Consumer protection activities; Consumer Rights to be mandated; all consumer protection programs and activities on the same lines as Rural Development, Education etc. (Schedule VII (ii) under "promoting education")
- xi. Donations to IIMA for conservation of buildings and renovation of classrooms. (Schedule VII (ii) under "promoting education")
- xii. Non-Academic Technopark TBI not located within an academic Institution but approved and supported by Department of Science and Technology. (Schedule VII (ii) under "promoting education", if approved by Department of Science and Technology)
- xiii. Disaster relief: Disaster relief can cover wide range of activities that can be appropriately shown under various items listed in Schedule VII. For example, medical aid can be covered under "promoting health care including preventive health care"; food supply can be covered under "eradicating hunger, poverty and malnutrition"; supply of clean water can be covered under "sanitation and making available safe drinking water".
- xiv. Trauma care around highways in case of road accidents. (Schedule VII (i) under "health care")
- xv. Supplementing of Govt. schemes like mid-day meal by corporates through additional nutrition. (Schedule VII (i) under "poverty and malnutrition")
- xvi. Enabling access to, or improving the delivery of, public health systems. (Schedule VII (i) or (iii) under the heads of "healthcare" or "measures for reducing inequalities faced by socially & economically backward groups", depending on the context)
- xvii. slum re-development or EWS housing (Schedule VII (iii) under "measures for reducing inequalities faced by socially & economically backward groups")
- xviii. Renewable energy projects (Schedule VII (iv) under "Environmental sustainability, ecological balance and conservation of natural resources")
- xix. Contribution to the Corpus of a Trust/Society/Section 8 companies etc. will qualify as CSR expenditure as long as:
 - a. the Trust/Society/Section 8 company etc. is created exclusively for undertaking CSR activities, or
 - b. where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.



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Activities not covered under Schedule VII as per the MCA circular no. 21/2014 and 01/2016:

- i. Training to enforcement personnel.
- ii. Capacity building of government officials and elected representatives – both in the area of PPPs and urban infrastructure.
- iii. Sustainable urban development and urban public transport systems.
- iv. US-India Physicians Exchange Program – broadly speaking, this would be program that provides for the professional exchange of physicians between India and the United States.
- v. CSR projects or programs or activities that benefit only the employees of the company and their families.
- vi. One-off events such as marathons / awards / charitable contribution / advertisement / sponsorships of TV programmes etc.
- vii. Expenses incurred by companies for the fulfillment of any other Act/Statute of regulations (such as Labour Laws, Land Acquisition Act, 2013, Apprentice Act, 1961, etc.).
- viii. Contribution of any amount directly or indirectly to any political party.
- ix. Activities undertaken by company in pursuance of its normal course of business.
- x. Projects or programmes or activities undertaken outside India.

For Spack Automotives Private Limited

Sd/-

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