



VETO SWITCHGEARS AND CABLES LTD.

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

“Think Global, Act Local”

VETO’S FRAMEWORK ON CSR POLICY

Veto Switchgears and cables limited hereinafter referred as “VETO” or “Company” is engaged in various social welfare activities as per the thrust area defined hereunder. In order to adhere Corporate Social Responsibility (CSR) Policy pursuant to the provisions of the Companies Act, 2013 and the Rules made thereunder VETO is required to formulate a Corporate Social Responsibility (CSR) Policy and to provide impetus to social activities and to roll our social initiative efficacious, it is vital to draw our Corporate Social Initiatives into a precise Policy document.

TITLE, SCOPE & APPLICABILITY

This policy shall be called “**VETO CSR Policy**” as envisaged under Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

The underlining theme of our CSR philosophy is to create equality in society with our initiatives. **“To the people, By the people, For the People is the core of VETO’s CSR Policy”**. Our goal is to ensure that our economic growth is socially and environmentally sustainable. CSR initiatives are focused to enable the society to growth their livelihood by adapting science led innovations. Our socio-economic initiatives are focused towards underprivileged communities around local areas of operations, so that the weaker and marginalized sections of the society have a sustainable higher income and better standard of living.

Notwithstanding anything to the contrary in this CSR Policy but subject to applicable law, if the Company fails to meet out thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:

- (i) Constitute the CSR Committee; and
- (ii) Comply with the provisions of this CSR Policy till such time as it again meets the criteria as specified in Section 135(1) of the Act.

CSR VISION

1. To support responsible and sustainable initiatives, while taking care of the concern for people, plant and profit;
2. To support Philanthropic activities to meet out the challenges that are facing by society today and helping them in preparing for the future.

3. To build a sustainable society through improving the quality of life, protect the plant through affirmative actions and establish integrated and inclusive growth of people and environment;
4. To Ensure efficient use of energy and environment friendly technologies;
5. By Enriching lives to create a healthier and happier world.

CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE AND ITS FUNCTIONS

- a) The Committee shall consist of minimum 3 Directors where one of whom shall be an Independent Director.
- b) The CSR Committee shall hold atleast one meeting in a Financial Year which shall be attended by minimum of two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.
- c) The Chairman of the CSR Committee shall be appointed by the Board or Committee itself, Chairman of the Company may also appointed as a Chairman for CSR Committee; The Chairman of CSR Committee should present at Annual General Meeting of the Company.
- d) The number of members of the CSR Committee; their powers and functions may be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.
- e) No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.
- f) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

THE CSR COMMITTEE SHALL:-

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in terms of Schedule VII of the Companies Act, 2013 or any amendment thereof.
- b) Recommend the amount of expenditure to be incurred on CSR activities and
- c) Monitor the CSR policy from time to time.
- d) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - (i) the list of CSR projects or programs that are approved by the Board to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) the manner of execution of such projects or programs
 - (iii) the modalities of utilization of funds and implementation schedules for the projects or programs;
 - (iv) monitoring and reporting mechanism for the projects or programs; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

CSR SPENDING & ALLOCATION

- a) For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, the Board of Directors of VETO shall ensure that the Company spends at least 2% of its average net profits made during the three immediately preceding financial years, in pursuance of its CSR Policy.
- b) The board shall ensure that the administrative overheads shall not exceed five percent of its total CSR expenditure of the company for the financial year.
- c) If the company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months from the expiry of the financial year.
- d) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 of the Act such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 of the Act up to immediate succeeding three financial years subject to the conditions that -
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any;
 - (ii) the Board of the company shall pass a resolution to that effect.
- e) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, 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.
- f) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- g) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
 - (i) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (iii) a public authority:
- h) The unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act, until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 of the Act.

MODE OF IMPLEMENTATION

The Board of Directors of the Company may decide to undertake CSR activities approved by the CSR Committee, through any of the following:

- (a) directly by the Company; or
- (b) 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
- (c) 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
- (d) any entity established under an Act of Parliament or a State legislature; or
- (e) 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.

A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the CSR rules.

The Board of a company 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 the effect.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

CSR ACTIVITIES

The Company shall undertake CSR activities for development of the society and the environment, preferably in the vicinity of the areas where the facilities of the company are located.

Thrust areas of VETO for undertaking CSR activities or initiatives or Programs:-

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care Center and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) 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.
- (v) Rural development projects
- (vi) Development of area declared as "slum area" by the government or competent authority

The Company may also contribute to the following funds as part of CSR activities or any other fund as may be notified in this regard, from time to time:-

- (i) 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 art and handicrafts;
- (ii) 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;
- (iii) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (iv) Disaster management, including relief, rehabilitation and reconstruction activities
- (v) Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (vi) Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (vii) 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 socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) 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;
- (x) Contributions to public funded Universities; Indian Institute of Technology (IITs); 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).

The above areas as enshrined in Schedule VII to the Act and included in this Policy aim to provide macro areas in which CSR projects can be undertaken by the VETO.

INADMISSIBLE ACTIVITIES:

- (i) Activities undertaken in pursuance of normal course of business of the company.
- (ii) Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

MONITORING PROCESS

CSR committee will be responsible for the monitoring of various CSR Projects, Programs or Activities undertaken by VETO directly or indirectly. The Committee shall ensure that CSR Projects, Programs or Activities:

- a) Are undertaken as provided in the CSR policy.
- b) Are implemented as approved by the Board.
- c) The budget allocated is utilized as per the approved plans.
- d) The objectives are achieved in consonance with this policy.

Notwithstanding anything to the contrary, the Board shall not be obliged to comply with the recommendations of the CSR Committee.

CSR REPORTING

(1) The Board's Report of a company shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable as specified in CSR Rules.

(2) The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website i.e. www.vetoswitchgears.com, for public access.

(3) (a) In case the company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

REVIEW AND AMENDMENT

Any or all provisions of the CSR Policy would be subject to revision/ amendment by the Board of Directors of the Company based on the recommendations of the CSR Committee or in accordance with the guidelines on the subject as may be issued, from time to time.

Any notification/ circular or other statutory guideline(s)/ regulation(s) on the subject, that has the effect of amending any of the provisions quoted or referred to in this Policy, shall automatically have the effect of amending this Policy without the need of any further approval by the Board of Directors.

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