POWERICA

A PROMISE FOR POWER

POWERICA LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Revised Policy adopted on at Board of Directors meeting held on April 30, 2025

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CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ("**CSR**") is the commitment of companies to provide resources and support activities focussed on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as a part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a long-standing commitment at **Powerica Limited (**"**Company**") and forms an integral part of our activities. Being a responsible corporate citizen, the Company is committed to performing its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the community. Its contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Company and with the broader community.

The Company's objective is to pro-actively support meaningful socio-economic development. It works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life. The Company aims to identify critical areas of development contributing to the well-being of the community and benefitting them over a period of time.

The Corporate Social Responsibility Policy ("**Policy**") of the Company sets out the framework guiding the Company's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

The Policy, composition of the Corporate Social Responsibility Committee ("**CSR Committee**") and projects approved by the Board of Directors ("**Board**") shall be disclosed under a separate section on the website of the Company.

1. SCOPE OF THE POLICY:

The Policy would pertain to all activities undertaken by Company towards fulfilling its corporate social responsibility objectives. The Policy would also ensure compliance with section 135 of the Companies Act, 2013 ("**Companies Act**"), read with Schedule VII of the Companies Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**CSR Rules**"), each as amended from time to time and the notifications and circulars issued by the Ministry of Corporate Affairs **("MCA")** from time to time and the rules framed thereunder (**"CSR Regulations"**). In the event of any inconsistency or discrepancy between this Policy and the CSR Regulations, the provisions of the CSR Regulations shall prevail.

2. GOVERNANCE STRUCTURE:

The CSR Committee is the governing body that will define the scope of CSR activities for Company and ensure compliance with the Policy. The CSR Committee would comprise three or more directors including at least one independent director.

(a) The CSR Committee shall:

(i) Formulate the Policy and recommend to the Board and any amendments thereto;

(ii) Indicate the CSR activities to be undertaken by Company as specified in the Companies Act;

(iii) Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company, and the annual CSR action plan to the Board;

(iv) Monitor the CSR activities and its compliance with the Policy from time to time; and

(v) Review and implement, if required, any other matter related to CSR initiatives.

(b) The Committee shall meet at least twice in every financial year.

(c) The Board shall:

(i) Approve the Policy based on the recommendation of the CSR Committee;

(ii) Approve the CSR activities and annual CSR action plan based on the recommendation of the CSR Committee; and

(iii) Review the Policy and CSR activities.

3. COMPOSITION:

The CSR Committee shall consist of 3 or more directors, out of which at least one director must be an independent director. The Board may change the composition of the CSR Committee from time to time in such manner as it thinks fit and as required under the CSR Regulations.

4. OPERATING FRAMEWORK:

4.1 CSR activities may be undertaken by the Company.

4.2 CSR activities will be undertaken in areas identified by the CSR Committee. An annual CSR action plan shall be presented to the CSR Committee and, based on its recommendations to the Board of Directors for approval.

4.3 The responsibility for implementation of identified activities / projects shall be as per the organizational structure approved by the Managing Director.

4.4 The annual action plan shall incorporate the following:

(a) The prescribed outlay on CSR as per the Companies Act and related rules as amended from time to time;

(b) Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under the Companies Act and related rules as amended from time to time, their conformity with the Policy and their implementation schedules;

(c) Proposed outlay on each activity including expenditure on administrative overheads both directly and indirectly including employee costs;

(d) Activities to be undertaken by Company directly;

(e) Activities to be undertaken by other entities and Company's contribution to such entities; and

(f) Aggregate proposed outlay and reasons for shortfall, if any, compared to the prescribed outlay.

4.5 The authority to incur expenditures under the above plan shall be as per the approved delegation of financial powers in the Company.

4.6 Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.

5. DECISION MAKING BY THE CSR COMMITTEE:

5.1 The CSR Committee shall at all time act in a manner that is consistent with the provisions contained in this Policy and the CSR Regulations.

5.2 The CSR Committee shall endeavour to arrive at all decisions via consensus of all members. However, on occurrence of any event where the CSR Committee is unable to arrive at a consensus, the decision of the Chairman of the CSR Committee shall be final.

6. CSR SPENDING:

6.1 The Company may, in every financial year, spend such amounts on its CSR activities as the CSR Committee may authorize from time to time subject to the limits as approved by the Board, provided that the Board shall ensure that the CSR expenditure is compliant with the CSR Regulations.

6.2 The Company shall undertake CSR spending in accordance with the CSR Regulations, as amended from time to time.

7. CSR IMPLEMENTATION:

7.1 The Board shall ensure that the CSR activities are undertaken by the Company itself or through-

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 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;

(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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.,

Explanation.- For the purpose of clause(c), the term "entity" shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.

In the manner prescribed under the CSR Regulations, as amended from time to time.

7.2 The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its Policy as well as for capacity building of their own personnel for CSR.

7.3 The Company may also collaborate with other companies for undertaking projects or programmes 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 programmes in accordance with these rules.

7.4 The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the chief financial officer of the Company or the person responsible for financial management shall certify to the effect.

7.5 In case of ongoing project, the Board 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.

7.6 The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its Policy, which shall include the following, namely:-

(a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;

(b) the manner of execution of such projects or programmes as specified in the CSR Rules;

(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; and

(e) 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.

8. MONITORING:

The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.

(a) [The progress of the CSR activities shall be reviewed at least twice a year, including the annual review by the CSR Committee.

(b) The Chief Financial Officer shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the CSR Committee and the Board.

(c) The Board of Directors shall review the progress of CSR activities at least annually.

9. DISCLOSURE:

The Board's Report of the Company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in the CSR Regulations, as applicable to the Company.

The above information shall also be displayed on the Company's website.

10. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES:

The projects or programmes to be undertaken by Company as CSR in India will be considered and approved by the CSR Committee of Company. Any project or programme that is exclusively for the benefit of Company's employees would not be considered as CSR.

Company's primary focus areas for CSR activities are as recommended by the CSR committee and approved by the Board as per the areas specified under schedule VII of the Companies Act, 2013

11. EFFECTIVE DATE:

The Policy shall be effective from the date of approval of the Board of Directors of the Company.

12. AMENDMENTS:

The Policy may be reviewed and amended from time to time by the Board based on the recommendation of the CSR Committee.