



JAYALAKSHMI ESTATES, 29, HADDOWS ROAD, CHENNAI 600006 TEL: 044-4200 5200, FAX 044- 2225 7577
CIN : L30007TN1995PLC032941 EMAIL: investorservices@tvs-e.in

CORPORATE SOCIAL RESPONSIBILITY POLICY

(As approved by the Board of Directors on 11th August, 2017)



JAYALAKSHMI ESTATES, 29, HADDOWS ROAD, CHENNAI 600006 TEL: 044-4200 5200, FAX 044- 2225 7577
CIN : L30007TN1995PLC032941 EMAIL: investorservices@tvs-e.in

I. PREAMBLE

TVS Electronics Limited (TVSE or the Company), part of the TVS group has been an early adopter of Corporate Social Responsibility (CSR) initiatives. As part of TVS group initiatives, “Cheema Foundation” - a not for profit nodal body has been established, which aimed at providing, educational assistance to the underprivileged children, supporting Primary education, improving health care and sanitary facilities to schools, preserving heritage and Indian art and culture. The Company always focusses on development of the Society and contribute its bit towards the betterment of the Society.

This CSR policy (Policy) encompasses the Group's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large through its social arm and also through its holding, associate Companies and also through various other charitable trusts and organisations.

This policy shall apply to all CSR initiatives and activities taken up not only at the various work-centres and locations of the Company but also in any other parts of the country, for benefit of the society.

II. CSR PROJECTS OR PROGRAMS

The Company shall implement the CSR Policy in accordance with the requirements under Section 135 of the Companies Act, 2013 and the Rules framed thereunder, as modified from time to time, broadly covering the following as and when required, and approved by the CSR Committee, as the case may be:

- A. **ECONOMIC DEVELOPMENT:** Empowering women through self help groups; promoting improved agriculture practices through adoption of scientific methods of agriculture; improve employability by providing enhancing vocational skills and providing career counselling. Survival, protection and education of girl children will be given primary focus.

- B. **EDUCATION:** Promoting education, including special education, especially among children, women and the differently abled, including by way of setting up of educational camps in rural areas; establishing village level adult education centres, contributing towards improving the infrastructure of schools by building additional classrooms and other infrastructure, providing study and play materials, building of toilets and ensuring adequate water supply. Providing special care to introduce digital technology in primary and secondary education for improving quality of education.

- C. **ENVIRONMENT:** 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 by way of : (i) educating the public on effective solid waste management; (ii) construction and periodic cleaning of drains for free flow of liquid waste; (iii) undertaking afforestation



JAYALAKSHMI ESTATES, 29, HADDOWS ROAD, CHENNAI 600006 TEL: 044-4200 5200, FAX 044- 2225 7577
CIN : L30007TN1995PLC032941 EMAIL: investorservices@tvs-e.in

measures and supporting conservation measures to protect forest areas and prevent forest fires; and (iv) construction of various water and soil conservation structures, including rain water harvesting systems to increase the groundwater level, reduce soil erosion and increase crop cultivation area.

- D. **HEALTH:** Reduction of infant mortality and maternal mortality rate; reduction of malnutrition among children; reduction of anaemia among women by conducting nutrition demonstration programmes and supply of iron and calcium supplements to women and especially people belonging to the weaker section of society. Reduction of open defecation by individuals by construction of toilets and promoting awareness of the disadvantages of open defecation; and promoting access to safe drinking water.
- E. **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation.
- F. **NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries and promoting and developing traditional arts and handicrafts.

The CSR activities shall be undertaken within the territory of the Republic of India, and the Company shall give preference to the local area/ areas around where it operates, for spending the amount earmarked for CSR activities.

V. **CSR COMMITTEE**

- A. CSR Committee shall consist of three or more directors of which, at least one will be an independent director, unless otherwise required under applicable law.
- B. The CSR Committee of the Company will be responsible for:
- formulating and recommending to the Board , the CSR Policy;
 - identifying CSR activities to be undertaken in terms of the provisions of the Companies Act, 2013 (“Act”) and Rules thereunder, provided such activities are indicated in the CSR Policy;
 - recommending the annual budgeted expenditure to be incurred on CSR activities by the Company, to the Board for its approval;
 - Subject to the provisions of the Act, recommend the locations for carrying out CSR activities;
 - recommending to Board, modifications to the CSR policy, as and when required; and
 - regularly monitoring the implementation of the CSR policy



JAYALAKSHMI ESTATES, 29, HADDOWS ROAD, CHENNAI 600006 TEL: 044-4200 5200, FAX 044- 2225 7577
CIN : L30007TN1995PLC032941 EMAIL: investorservices@tvs-e.in

VI. BOARD

The Board of Directors of the Company will be responsible for:

- approving the CSR policy as formulated by the CSR Committee, with or without modifications;
- considering the recommendations of the CSR Committee and providing appropriate instructions / directions to the CSR Committee when required;
- preparing a budget of expenditure to be applied for CSR projects contemplated in the annual policy of the Company ;
- ensuring that in each financial year the Company spends at least 2% of the average net profits of the Company, made during the 3 (three) preceding financial years, or such other amount as prescribed under the Act and Rules framed thereunder, in pursuance of its CSR Policy.
- disclosing in the Report of the Board, the names of CSR Committee members and ensure annual reporting of its CSR activities in the format as prescribed under the Act and the Rules framed thereunder.
- Complying with the requirements of the Act and the Rules regarding corporate social responsibility.

VII. EVALUATION AND IMPLEMENTATION OF CSR ACTIVITIES

- A. Cheema Foundation or any of TVS-E's holding, subsidiary, affiliates or any such other entity will receive requests for funding of projects, from time to time. The experts available in the respective entities will evaluate the proposals so received, either internally or with the help of third parties.
- B. Projects will be prioritized by assessing their impact and the permissibility of such funding, considering the Company's CSR Policy, and shall be forwarded with recommendations to the CSR Committee for approval and implementation. The CSR Committee will deliberate on the proposals and recommend the proposals for implementation to the Board.
- C. The Company will undertake the CSR activities identified and recommended by the CSR Committee, through the Foundation or such other entity/organization as permitted under the Act and the Rules framed thereunder. In the event the CSR activities are identified by way of the external agencies (including the Foundation) the CSR Committee shall ensure that the requirements of the Act and the Rules shall be fulfilled.
- D. The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.
- E. The total expenditure incurred towards administrative activities including salary paid to the employees engaged in CSR activities will be limited to 5% of the total CSR expenditure attributable for the relevant financial year.



JAYALAKSHMI ESTATES, 29, HADDOWS ROAD, CHENNAI 600006 TEL: 044-4200 5200, FAX 044- 2225 7577
CIN : L30007TN1995PLC032941 EMAIL: investorservices@tvs-e.in

VIII. MONITORING PROCESS

- A. The Company recognizes that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of objects of the CSR Policy. Monitoring may be done periodically with the help of identified key performance indicators.
- B. Monitoring may be done in project mode by way of a continuous feedback mechanism or in such intervals as determined by the CSR Committee, and recourse shall always be available for mid-course correction in implementation, whenever required.
- C. Implementation and monitoring of the CSR activities will be overseen by the CSR Committee. The monitoring and evaluation may be assigned by the CSR Committee to an external agency for the sake of objectivity and transparency.
- D. If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives for this purpose.

IX. GENERAL

- A. The CSR Policy recommended by the CSR Committee and approved by the Board shall be displayed in the Company's website for public viewing.
- B. In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
- C. All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws.
- D. The Company reserves the right to modify, cancel, add, or amend this CSR Policy.
