

**SPECTRA PRODUCTS PRIVATE LIMITED**

**REGISTERED OFFICE: 824, VIKAS DEEP BUILDING, LAXMI NAGAR DISTRICT CENTRE,  
VIKAS MARG, DELHI-110092**

**CIN: U74899DL1991PTC046647**

---

**Corporate Social Responsibility (CSR) Policy**

**INTRODUCTION**

The Board of Directors (the "Board") of Spectra Products Private Limited (the "Company") has adopted the following policy and procedures with regard to Corporate Social Responsibility. The Board may review and amend this policy from time to time subject to the recommendations of Corporate Social Responsibility Committee.

**APPLICABILITY**

Every company having

- i. net worth of rupees five hundred crores or more, or
  - ii. turnover of rupees one thousand crores or more or
  - iii. a net profit of rupees five crores or more during any financial year
- needs to spend at least 2% of its average net profit for the immediately preceding 3 financial years on corporate social responsibility activities and shall constitute a Corporate Social Responsibility (CSR) Committee of the Board which shall formulate and recommend CSR Policy to the Board of Directors of the Company ('Board'). The Rules also allow the Board to undertake its CSR activities through a registered trust established by the Company.

**CORPORATE SOCIAL RESPONSIBILITY PHILOSOPHY**

It is pertinent that business enterprises are economic organs of society and draw on societal resources, we at the company believe that a company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. Company aims to carry out charitable objects and purposes wide enough for the extension of benefit thereof to all, irrespective of class, creed and relief of poor, education, medical relief and advancement of any object of general and/or public utility. Such Corporate Social Responsibility (CSR) projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and working for a cause of humanity.

**POLICY OBJECTIVE**

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation schedules and monitoring of the CSR activities to be undertaken by the Company.

**DEFINITIONS**

**"Board of Director"** or **"Board"** means the Board of Directors of the Company, as constituted from time to time.

**"Company"** means a company incorporated under the Companies Act, 2013 or under any previous company law.

**"CSR Programmes"** means Programmes, projects and activities carried out in this regard are the subject matter of this Policy.

**"Corporate Social Responsibility Committee or Committee"** means CSR Committee constituted by the Board of Directors of the Company, from time to time.

**"CSR Policy"** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable regulation.

#### **LIST OF ACTIVITIES/PROJECTS**

The Company shall undertake CSR Projects among the following Activities/Projects falling within the preview of the Schedule VII of the Companies Act, 2013 or such other activities/projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility ("CSR"):

(i) Eradicating hunger, poverty and malnutrition, 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 and making available safe drinking water.

(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 centres 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

(v) 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.

(vi) 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.

(vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.

(viii) contribution to the 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.

(ix) (a) 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; and

(b) 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 Defence 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).

(x) rural development projects.

(xi) slum area development.

Explanation - For the purposes of this item, the term "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.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

(xiii) Other activities as prescribed under Schedule VII of the Companies Act, 2013 or as may be prescribed by the Ministry with regard to section 135 of the Companies Act, 2013 from time to time.

Explanation – (a) Keeping in view of the spread of novel Corona Virus (COVID-19) in India, its declaration as pandemic by the World Health Organization (WHO), and, decision of Government of India to treat this as a notified disaster, it is hereby clarified that spending of CSR funds for COVID-19 is eligible CSR activity.

(b) Funds may be spent for various activities related to COVID-19 under item nos. (i) and (xii) of Schedule VII relating to promotion of health care, including preventive health care and sanitation, and, disaster management. Further, as per General Circular No. 21/2014 dated 18.06.2014, items in Schedule VII are broad based and may be interpreted liberally for this purpose.

The above CSR Activities shall be undertaken only in India for the benefit of the Indian public and not only for the employees of the Company and their family. Provided further that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities. However, the committee may identify such other areas other

than those stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

### **CSR COMMITTEE**

Pursuant to the provision of Section 135 (1) of Companies Act, 2013, Corporate Social Responsibility Committee shall consist of three or more directors, out of which at least one director shall be an Independent Director.

The role and responsibility of the Committee will be as under:

1. Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
2. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -
  - (a.) the manner of execution of such projects or programmes
  - (b.) the modalities of utilisation of funds and implementation schedules for the projects or programmes
  - (c.) 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.

3. Recommend to the Board the amount of expenditure to be incurred on the various CSR activities in a financial year;
4. Monitor the CSR Policy of the Company from time to time;
5. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
6. Recommend to the Board, modifications to the CSR policy as and when required.
7. To decide on any other matter as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

### **FORMULATING THE ANNUAL ACTION PLAN**

The CSR Committee shall, at the beginning of each financial year, submit an annual action plan to the Board detailing the list of CSR activities planned for that financial year, along with the proposed implementation schedules, monitoring mechanism and if impact assessment is

required to be undertaken in case of applicable projects. The CSR Committee will monitor the implementation of the CSR projects and recommend changes to the action plan during the year if so required and recommend such amended plan to the Board, along with sufficient justification for such changes.

The CSR committee will submit an Action Plan to the Board.

### **CSR BUDGET & EXPENDITURE**

The CSR Committee will prepare yearly budget of the amount to be spend on the CSR activities as per the provisions of the Company Act, 2013 i.e. at least two per cent of the average net profit calculated as per Section 198 of the Act read with the Companies (Corporate Social Responsibility) Rules thereof, made during the three immediately preceding Financial Years and recommend the same to the Board of Directors.

The Company shall strive to spend in every financial year at least 2% (two percent) of the average net profits of the Company made during the three immediately preceding financial years.

The Board, on receipt of the Budget, will implement the same subject to availability of the profits as per the Act.

In the event that the amount indicated above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per Section 134(3) (o) of the Act and also adopt any one option from the below mentioned as provided in the Act:

#### **1. IN CASE THE PROJECT IS NOT AN 'ON - GOING' PROJECT**

a. Transfer such unspent amount to the below mentioned Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

- Clean Ganga Fund

#### **2. IN CASE THE PROJECT IS OR IS TO BE CONSIDERED AS 'ONGOING PROJECT'**

a. Pass a Board Resolution to approve the project as 'on-going' if it has not been already identified as an ongoing project;

b. Open an 'Unspent CSR Bank Account' and transfer the amount which is unspent/ unutilized on the approved CSR project within a period of 30 days from the end of the Financial Year;

c. Ensure completion of the project within 3 years from the date of such transfer to the 'unspent CSR bank account' of the Company.

If in any case Company fails to spent amount transferred to unspent CSR Bank Account on ongoing project within three years', Company shall transfer the unspent amount to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

#### **TREATMENT OF SURPLUS**

The surplus, if any, arising out of the CSR Projects or programmes or activities shall not form a part of the business profit of the Company and shall be ploughed back into the same project or programmes or activities 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.

## **IMPLEMENTATION**

The process for implementation of CSR programmes will involve the identification of programmes at the Corporate level by means of the following:

- A. Receipt of proposals/requests from Units/District Administration/local Government/NGO/Trust/Society/Institution etc. and assessment of the same.
- B. Discussions with local representatives/civic bodies/citizens' forums/NGOs/Trusts/Society/Institutions etc.

The Company shall carry out CSR activities itself or through:

- a. 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 (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.

## **MONITORING**

The CSR Committee will review periodically and keep the Board apprised of the status of the progress of implementation of the approved CSR Programmes.

## **REPORTING**

The Annual Report of the Board of Directors of Company shall include an annual report on CSR containing particulars in the prescribed format on the composition of CSR committee, CSR policy, the amount spent and carried forward with the reasons for spending below budgeted levels.

## **GENERAL**

The CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time. The Company reserves the right to modify, add, or amend any of provisions of this policy.