TRIDENT PNEUMATICS PRIVATE LIMITED
Corporate Social Responsibility (CSR) Policy

PREAMBLE:

This Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time. In accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder, the Board of Directors (hereinafter referred to as the “Board”) of Trident Pneumatics Private Limited (hereinafter referred to as the “Company”) has adopted this Corporate Social Responsibility Policy (hereinafter referred to as “CSR Policy”).

SCOPE:

The main objective of the Company CSR policy is to lay down guidelines for the company to be taken up by the social activities by the Company for the sustainable development of the society and the environment around it.

The Company, through its CSR initiatives, will strive to enhance value to the society and the environment through continuous initiatives

The Company will directly or indirectly take up projects in and around its operational locations in line with the guidelines.

This Policy will cover on Constitution of CSR Committee, Roles and responsibilities of CSR Committee, CSR activities to be undertaken and allocation of funds for carrying out such CSR activities, Implementation and monitoring the execution of CSR activities for the Company.

Focus Areas:

The CSR activities of the Company will focus on enhancing the quality of life of all aspects of the society - health, hygiene, education, environment, etc. These activities will be relevant to the activities listed under Schedule VII of the Companies Act, 2013 which specifies the scope of CSR activities to be undertaken by Companies

i. Eradicating hunger, poverty and malnutrition, promoting 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. Promotion of 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;

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 arts and handicrafts;

vi. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

vii. and other activities as covered under Schedule VII read with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

CSR COMMITTEE

The CSR Committee of the Company shall be constituted comprising of two or more Directors being a private company having only 2 directors on the Board. The Committee shall undertake the following obligations:

a. Formulate and recommend to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company
b. Provide perspective and guidance to the Board of Directors on matters relating to CSR.
c. Formulation of the Annual Action Plan
d. Recommend the amount to be spent on the CSR activities
e. Ensure that CSR Activities are undertaken directly or through registered Implementation Agencies who meet the eligibility criteria prescribed under the CSR Policy Rules
f. Monitor the Company’s CSR policy from time to time
g. Ensure legal and regulatory compliance relating to CSR as provided under the Act and the Rules
h. Provide guiding principles for selection, implementation and monitoring of projects
i. Periodically review the effectiveness of CSR spend.

GOVERNANCE:

i. Approving of the CSR Policy and overall governance of CSR will the responsibility of the Board of Directors of the Company

ii. CSR Committee may recommend one or more employees/ officers of the company for the prupose of implementation, administering and executing of CSR activites in accordance with and in adherence to the terms of this Policy.

CSR BUDGET, CSR IMPLEMENTATION AGENCIES, ANNUAL PLAN FOR CSR EXPENDITURE

a. The overall amount to be committed to CSR projects in each financial year in accordance with the provisions of the Act as approved by the Board.

b. Within the overall budget, specific CSR initiative /project will be identified by CSR Committee of the Board.

c. The Committee can also allocate a sum higher than the statutory minimum in terms of the Act and the Rules as regards the CSR budget.

FORMULATION OF ACTION PLAN:

a. The CSR Committee shall formulate and recommend an Action Plan for carrying out CSR Activity inter alia the following:

b. The Board may alter the Action Plan at any time during a financial year, as per the recommendation of the CSR Committee.

CSR PROGRAMS/PROJECTS PROPOSALS

The CSR Committee recommend proposed projects including implementation year, modalities of execution in the areas/sectors chosen, implementation schedules for the same etc based on the following guidelines:

a) The Projects and Programmes relate to the core themes specified in this Policy.

b) The Implementation Agencies meet the eligibility criteria and are capable of carrying out the projects proposed to be assigned to them.

c) The programs/projects will be implemented within the country and preferably in areas where the Company has its presence.

d) Programs/Projects should not be exclusively for the benefit of employees of the company or their family members.

e) Projects or Programmes shall not be anything done by the Comapny in its normal course of business.

f) Projects or Programmes shall not involve any direct or indirect objectives for business development.

CSR IMPLEMENTATION

Company may undertake CSR Activities directly or through registered Implementation Agencies.

a. Company must identify the CSR Projects or Programmes and categorise them whether the projects or programmes fall within the meaning of “Ongoing Projects” and if so assign a identification number for such projects and programmes so as to keep a record of such projects, facilitate proper accounting, compliances, disclosures, audits, and assessments.

b. Company may collaborate with other companies for undertaking projects or programmes or CSR activities provided CSR Committee is in a position to report separately on such projects or programmes. Further, the Board of Directors shall ensure that the funds disbursed for CSR Projects or Programmes in general and for such projects or programmes undertaken in collaborative model are properly accounted, and utilised for the purposes and in the manner as approved by the CSR Committee and the Chief Financial Officer or the person responsible for financial management shall certify to the effect and present such certificates for the Programmes undertaken under the collaborative model, if any.

c. In case of Ongoing Project, the CSR Committee may review every such project mandatorily at every meeting and members of CSR Committee may even undertake a physical visit to the project site to review of progress, functioning, impact and any other aspect the Committee may deem fit.

d. The Board of Directors shall monitor and review the implementation of every Ongoing Project with reference to the approved timelines and year-wise allocation and if so deemed fit, the Board may require any modifications to be made to any such project for the purpose of smooth implementation of the project within the overall permissible time period.

IMPLEMENTATION AGENCIES

a. The implementation agencies, whether established by the Company itself or those which have established track record and have proper registrations under Section 12A and 80G of the Income tax Act, 1961 as well as duly registered with the Ministry of Corporate Affairs as prescribed under the Rules.

b. Every Implementation Agency, unless it is established by the Company itself, shall have not less than three years of established track record in undertaking activities similar to the CSR Projects or Programmes for the undertaking of which an agency is being short-listed by the CSR Committee.

c. The CSR Committee shall carry out requisite due diligence and ensure that such agencies have not only sufficient track record in undertaking similar activities but also the said track record shows that they are capable of undertaking such activities of the size proposed to be entrusted to them by the Company.

d. The CSR Committeee may engage legal and other advisors for such due diligence so as to ensure that such agencies have well established systems and processes with sufficient resources at their disposal in order to be able to carry out such activities in the State / District where such CSR activities are proposed to be undertaken.

e. The CSR Committee shall ensure that the Company enters into proper contracts with clearly specified scope of work, definition and description of the specific projects and programmes, time lines, schedule of release of payments, reporting systems, supervision and monitoring aspects and proper scope for audits and impact assessment, consequences of breach of terms and dispute resolution.

f. Such implementing agencies shall be mandatorily required to provide reports on the progress of the project at the end of every quarter.

CSR EXPENDITURE:

a. The Company shall ensure that it spends in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years.

b. The Board may approve CSR Projects or Programmes that involves an outlay of more than the amount mandatorily required to be spent in a financial year and such excess may be carried forward towards the amounts required to be spent in succeeding three financial years, provided such amounts shall not include any surplus generated out of the project and further such carrying forward and setting off shall be approved by the Board of Directors.

c. Any surplus generated on account of or from any CSR Activity shall be ploughed back and spent on CSR Projects or Programmes. Any such surplus shall not form part of the business profits of the Company.

d. The administrative overheads shall not exceed 5% of the total CSR expenditure of the Company as stated in the Rules from time to time. All expenditure towards the programs to be diligently documented.

SURPLUS AND UNSPENT CSR OBLIGATIONS

a. If in a financial year there remains unspent CSR amount due to non-commencement of the project or for any other operational reason and if the CSR project is such that the implementation of which will be a multi-year project, then the Company has to deposit such unspent amount in a separate account tilted Unspent CSR Account of the Company before the expiry of thirty days from the date of close of a financial year.

b. The CSR Committee shall ensure that any project which has been classified as an “Ongoing Project” is a multi-year project undertaken or proposed to be undertaken by the Company and it does not have timelines exceeding three years excluding the financial year in which the project has commenced or is scheduled to be commenced.

c. Amount lying in the Unspent CSR Account should be utilised and spent for the multi-year project earmarked for that purpose 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 or such other period specified from time to time.

d. If the Board of Directors upon recommendation of the CSR Committee is of the opinion that there being no identifiable projects for CSR spend or due to such justifiable reason that the Annual Action Plan and the budget set forth could not be implemented then the amount which are unspent have to be transferred to the specific fund notified by the Government or until then to a fund included in Schedule VII within a period of six months of the expiry of the financial year or such other period specified from time to time.

e. If any surplus generated on account of or from any CSR Activity could not be ploughed back into the same project, it shall be transferred to the Unspent CSR Account and spent in pursuance of CSR objectives of the Company as per the Annual action Plan of the Company or transfer it to the fund specified in Schedule VII, within a period of six months of the expiry of the financial year or such other period specified from time to time.

MONITORING, ASSESSMENT & REPORTING MECHANISM

The CSR Committee shall institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company. A time frame shall be fixed for all CSR projects/ activities for their timely completion with suitable milestones.

The CSR committee shall ensure that: -

1. Company undertakes the CSR activities as provided in this CSR Policy.
2. CSR Activities approved by the Board on the recommendation of the CSR Committee are undertaken by the Company.
3. Budgeted funds allocated for each of the CSR activities are utilised as per the approved plans.
4. The objective of the CSR Activity is achieved as per the approved plans.

ASSET CREATION AND TRANSFER

If the CSR Project or Programme undertaken by the Company requires creation of capital asset, it shall be ensured that such assets are created in the name of either the Trust established by the Company as an Implementing Agency for carrying out CSR Activities or in the name of any public authority specified under the CSR Policy Rules.

CSR IMPACT ASSESSMENT

The Company shall undertake impact assessment impact if applicable in a financial year as per the rules applicable from time to time

CSR REPORTING AND DISCLOSURE REQUIREMENTS

a. The Board shall disclose the composition of CSR Committee in the Board's Report.

b. CSR Committee of the Board will periodically consider the progress report on the various CSR initiatives taken up by the Company.

c. At the end of each financial year, the CSR Committee shall prepare its Annual Report on CSR Activities in the prescribed form and submit the same to the Board for disclosure in the Board's Report.

d. Details of the CSR activities undertaken by Company and amounts spent along with reasons for spends below budgeted levels, if any, shall also be reported in Company's Annual Report under Directors' Report as per the format specified in the Rules and displayed on the website of the Company. If the Company in any year fails to spend the budgeted amount, it shall be disclosed in the Board's report along with the reason.

e. Further the composition of the CSR Committee and the CSR Policy shall also be displayed on the website of the Company.

f. This CSR Policy of the Company may be amended from time to time by the Board on the recommendation of its CSR Committee, as and when deemed fit. Any or all provisions of this CSR policy are subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments thereof from time to time. In the event of any inconsistency between this CSR Policy and the applicable laws, the applicable laws will prevail.

Amendments to the Policy as approved by the Board of Directors at their meeting held on 10th June 2021.