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भारत सरकार का उपक्रम
रक्षा मंत्रालय



TROOP COMFORTS LIMITED

A GOVT OF INDIA ENTERPRISE
MINISTRY OF DEFENCE

CIN - U18109UP2021GOI150744


No.TCL/Cor.HR/0290/CSR Policy

Dated: 13.10.2022

To,
The General Manager(s)
OEFC, OEFHz, OCFS, OCFAV, TCLTA

Sub: CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINIBILITY POLICY OF TCL

The subject policy is forwarded herewith for the reference and record and further necessary action as deemed fit please.


(P. Mohanty)
General Manager
Cor.HR

Encl: As above

Copy to:

1. CMD Secretariat
2. All Directors
3. Members CSR and Sustainability Cell

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TROOP COMFORTS LIMITED

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY POLICY

Preamble

1. Corporate Social Responsibility & Sustainability Policy ("CSR Policy") in Troop Comforts Limited ("the Company") is a continuing commitment to operate ethically and contribute to harmonious and sustainable development of society and planet through business, while improving the quality of life of the community and the society. CSR is, therefore, the organization's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interest of its stakeholders and other activities as covered under Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Companies Act, 2013 (including any amendments or enactments thereof from time to time) and Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India ('DPE Guidelines, 2014).

2. Any point not covered in this Policy would be interpreted in accordance with the Companies Act, 2013, Companies (CSR Policy) Rules and DPE Guidelines on CSR & Sustainability.

CSR Vision

3. To contribute towards social development and meaningful enhancement of quality of life of the community preferably in the area in which TCL operates, through value creation in fulfillment of its role as a Socially Responsible Corporate.

CSR Mission

4. To sincerely & effectively discharge Company's responsibility in the identified CSR thrust areas listed out in the Companies Act, 2013 with minimal wastage across operations.

CSR Activities

5. The Company may undertake the following CSR activities: -

(a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set up by the Central Government for the promotion of sanitation and making available safe drinking water.

(b) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and the differently abled and livelihood enhancement projects.

(c) 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.

(d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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.

(e) 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.

(f) Measures for the benefit of armed forces veterans, war widows and their dependents.

(g) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.

(h) 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.

(j) 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.

(k) 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 Organization (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).

(l) Rural development projects.

(m) Slum area development.

(n) Disaster Management, including relief, rehabilitation and reconstruction activities.

NOTE: The above areas are illustrative and not exhaustive. The activities will be specific depending on the base line survey and need assessed for the people.

6. Following activities shall not be considered as CSR activities: -
- (a) Activities undertaken in pursuance of normal course of business of TCL.
 - (b) 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.
 - (c) Programs, projects or activities that benefit only the employees of the Company and their families.
 - (d) Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.
 - (e) Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

Funding & Allocation

7. The CSR & Sustainability budget will be made in line with Section 135 of the Companies Act 2013, rules made thereunder and revised guidelines issued by the Department of Public Enterprises / MoD from time to time, in the following manner: -

- (a) To spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years or as amended by the Companies Act from time to time.
- (b) To spend this stipulated percentage of average net profits every financial year in a manner specified in the Companies Act and rules made thereunder.

Explanation: Net Profit means the net profit as defined in the Act and Rules, ie, the net profit of the company according to its financial statement prepared under the applicable provisions of the Act. It will not include the following: -

- (i) Any profit arising from overseas branch/branches of the company, whether operated as a separate company or otherwise.
- (ii) Any dividend received from another company in India covered under and complying with Section 135 of the Act

8. In case the Company spends an amount in excess of the requirements provided under the Companies Act, the Company may set off such excess amount against the said requirement to spend up to immediate succeeding 3 financial years provided that, the excess amount available for set off shall not include the surplus arising out of the CSR activities and a Board Resolution shall be passed to that effect.

9. In case the Company fails to spend the specified amount, the Board shall have to specify the reasons for not spending it in its Board Report and unless the unspent amount relates to any ongoing project(s), it shall transfer such unspent amount to a fund

specified in Schedule VII, within a period of six months of the expiry of the financial year.

10. Any amount remaining unspent out of specified amount, with respect to any ongoing project undertaken by the Company in pursuance of its CSR Policy, the same shall be transferred within a period of thirty days, from the end of the financial year, to a special account to be opened by the Company on 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 in pursuance of CSR 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 third financial year.

11. Any surplus arising out of 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 shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of financial year.

12. The Board shall ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.

Explanation:- 'Administrative overheads' means the expenses incurred by the Company for 'general management and administration' of CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.

13. The Company may spend the CSR amount for acquisition or creation of a capital asset held by:-

- (a) 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
- (b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) A public authority.

Explanation: Public Authority means 'Public Authority' as defined in Clause (h) of Section 2 of the Right to Information Act, 2005 (22 of 2005);

14. For meeting the requirements arising out of immediate & urgent situations, CMD is authorised to approve proposals in terms of the empowerment accorded to him by the Board subject to such requirements meeting various statutory norms under CSR and the same may be informed to the Board in its subsequent meeting.

Organisational Structure

15. TCL shall have a two-tier organizational structure for planning, implementation & monitoring of the CSR & Sustainability policies. The composition & role of the two-tier structure is given in succeeding paragraphs.

16. Tier 1 - Board Level Committee

(a) The Committee on Sustainability Development and Corporate Social Responsibility (CSR Committee) shall comprise of three or more Directors out of which at least one Director shall be an Independent Director. The head of the Committee will be nominated by CMD, TCL.

(b) The Nodal Officer (Head of Tier 2 Committee, Para 17 refers) shall attend meetings of Board Level CSR Committee and put up CSR proposals for recommendation to the Board.

(c) The Committee shall hold the meetings periodically as it may deem fit. The quorum for the meeting shall be either two members or one third of the members of the Committee whichever is greater, provided that at least one Independent Director shall be present at the meeting.

(d) The CSR Committee shall: -

(i) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subjects, specified in Schedule VII.

(ii) Recommend the amount of expenditure to be incurred on CSR activities.

(iii) Monitor the CSR Policy implementation of the Company and its impact from time to time.

(iv) Formulate and recommend to the Board, an Annual Action Plan (AAP) in pursuance of its CSR Policy, which shall include the following: -

(aa) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.

(ab) The manner of execution of such projects or programmes.

(ac) The modalities of utilisation of funds and implementation schedules for the projects or programmes.

(ad) Monitoring and reporting mechanism for the CSR projects or programmes.

(ae) Details of need and impact assessment, if any.

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

17. Tier 2 - Below Board Level Committee (CSR & Sustainability Cell) This internal organization will be put in place to coordinate and regulate the CSR activities of the Company. A senior officer, preferably of GM level shall be appointed to function as the Nodal Officer. The designated Nodal Officer shall have a team of officials to assist in coordination and shall be the Chairman of CSR & Sustainability Cell and shall submit reports regarding the progress in implementation of CSR & Sustainability activities to

the CMD and Board through Director/HR. The Composition of the CSR and Sustainability Cell will be as follows: -

GM (HR)	Chairman & Nodal Officer
Jt GM (Operations)	Member
WM / AWM (HR)	Coordinator
WM / AWM (Finance)	Member
WM/ AWM (Operations)	Member

18. Director/HR is authorised to add additional members as per domain expertise / project requirement on case to case basis.

19. **Role and responsibility of CSR & Sustainability Cell.**

- (a) Formulate/amend CSR policy as and when required for submission to the CSR Committee for review and recommendation to the Board for consideration and approval.
- (b) Formulate/select CSR & Sustainable project(s) & programmes and recommend the same based on their merits to Board level CSR Committee.
- (c) Prepare Annual CSR Budget & Annual Action Plan (AAP) in pursuance of its CSR Policy and put up to CSR Committee for recommendation and Board for approval.
- (d) Invite and coordinate selection of external agency, as required.
- (e) Facilitate the process for entering into a MoU/Agreement with each of the implementing/executing agencies clearly stating targeted CSR & Sustainability goals, monitoring systems, impact assessment and social audit needs, once the programmes approved by the Board are communicated.
- (f) Coordination of all activities related to Base Line Survey and Need Assessment studies.
- (g) Undertake Impact Assessment through independent agency for CSR Projects, whenever required.
- (h) Liaison with all external agencies.
- (j) Ensure overall implementation, and report the status of CSR & Sustainability implementation.
- (k) Monitor CSR activities or projects or programme of the Company and keep the Top Management apprised of all important developments.
- (l) Review CSR activities or projects or programmes on a monthly basis.
- (m) Adopt effective communication strategies among stakeholders.
- (n) Ensure transfer of unspent amount other than amounts related to ongoing project(s), to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- (o) Arrange opening of Unspent Corporate Social Responsibility Account in any scheduled bank and ensure transfer of the unspent amount pursuant to any ongoing project, within a period of thirty days from the end of the financial year.

20. **CSR Approach.** TCL shall give preference to local areas (areas around its Corporate Headquarters and units) while selecting the location of CSR activities keeping in view its nature of operations, the extent of impact of its operations on society and environment, and suggestions/demands of key stakeholders, especially those who are directly impacted by the Company's operations or activities. After giving due preference to the local area, TCL may also undertake CSR activities anywhere in the country.

Implementation

21. The process for implementation of CSR programmes will involve the following steps: -

- (a) CSR activities to be carried out by TCL, shall be approved by Board of the Company on recommendation of CSR Committee.
- (b) The Board of the Company shall ensure that the CSR activities are undertaken by the Company itself or through: -
 - (i) Companies that are established under Section 8 of the Act, or a registered society or registered public trust under Section 12A and 80G respectively of the Income Tax Act, 1961, established by the Companies themselves or along with any other Company.
 - (ii) Companies that are established under Section 8 of the Act or a registered society or registered trust established by the Central or State Government.
 - (iii) Entity established under State legislature or an Act of Parliament.
 - (iv) Companies that are established under Section 8 of the Act, or a registered public society or registered trust under section 12A and 80G respectively of the Income Tax Act, 1961, and having a track record of at least three years in undertaking similar activities.

22. Every entity, as indicated above, which intends to undertake any CSR activity of the Company, shall register itself with the Central Government by filing the form CSR- 1 electronically with the Registrar and provide the unique CSR Registration Number to the Company. The same should be digitally verified by the Company Secretary. Upon submitting Form CSR-1 on the MCA portal, the system will automatically generate a unique CSR Registration Number.

23. The Board of the Company shall satisfy itself that the funds have been utilised for the purposes and in the manner as approved by it and the person responsible for financial management in TCL shall certify to the effect.

24. In case of any ongoing project, the Board should monitor the implementation of the project in the approved timelines and year-wise allocation. It can make any modifications for smooth implementation of the project within the permissible time.

25. Identification of CSR activities or projects or programmes at Corporate level will be done by means of the following: -

- (a) A baseline / need assessment survey may be done prior to the selection of any CSR activity or project. TCL may undertake the same using its own in-house expertise and resources or by engaging local organizations.
- (b) Proposals/requests received from local civic bodies/ government authorities / educational institutions / voluntary organisations (VOs) / orphanage / Old Age Homes etc.

26. If the Company feels the necessity of taking up new CSR activities or projects or programmes during the course of a year, which are in addition to the approved CSR activities, the Board's approval of such additional CSR activities would be required for implementation of such activities / projects.

Agreement between TCL & External Agency

27. In case projects are implemented through any External Agency, TCL shall enter into an MoU/ agreement with each of the agencies for implementing and executing CSR projects, once the project is approved by the Board.

Monitoring and Evaluation

28. The progress of CSR & Sustainability activities or projects or programmes under implementation, shall be monitored by CSR Committee at Board level and CSR Cell at below Board level. Appropriate documentation of the annual CSR activities, external agencies (if any) and expenditure entailed will be undertaken on a regular basis. CSR Cell shall obtain feedback from beneficiaries about the programmes on periodic basis. Appropriate strategies for internal communications shall be devised to spread awareness of CSR & Sustainability amongst the employees. The performance of the project/ activities shall be evaluated based on its objectives, scope, deliverables and benefits.

Impact Assessment

29. The Company shall undertake impact assessment, through an independent agency, of 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, if the average CSR obligation is Rs 10 crore or more. However, the Company may also undertake impact assessment study, if required, to measure the effectiveness of any of the CSR projects or programmes as deemed fit.

30. The impact assessment reports shall be placed before the Board and shall be enclosed with the annual report on CSR.

31. The expenditure incurred on Impact Assessment may be booked towards CSR for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or Rs 50 lakh, whichever is lesser.

CSR Reporting & Disclosure

32. The Board's Report covered under Section 134 (3) of the Act shall include an annual report on CSR in such format as specified in Companies (CSR Policy) Amendment Rules, 2021 or any subsequent amendment thereof (Sample enclosed at Annexure).

33. 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, for public access.

Procedure for Execution of Projects Approved by the Board

34. On approval of CSR budget by the Board, the following procedure will be followed for execution of activities or projects or programmes: -

(a) In case the activities or projects or programmes are executed internally by the Company (both procurement of goods and Civil construction), the same will be intimated by CSR Section to respective Departments for procurement/ execution, following the procedure enumerated in the TCL Procurement Manual and as per Delegation of Financial Powers. For this purpose, the following provision will be incorporated in the Delegation of Financial Powers: -

<u>Sl. No</u>	<u>Nature of Power</u>	<u>Delegation</u>		<u>Remarks</u>	<u>Consultation with Finance</u>
		<u>Authority</u>	<u>Extent</u>		
100.	CSR Activities as per Companies Act, 2013	HOD/TCL HQ	Full Power	Subject to approval of the CSR proposal by TCL Board	Yes

(b) In case the activities or projects or programmes are executed through any external Agency, necessary action such as preparation and collection of documents, obtaining approval of MoU will be initiated by CSR section. On approval and completion of documentation, the same along with copy of Board approval will be sent to finance department for release of payment.

(c) In case of contribution of amount and/ or transfer of unspent amount pursuant to any non-ongoing project, CSR section will send the copy of the Board approval to finance department for release of payment.

(d) In case of transfer of unspent CSR amount pursuant to any ongoing projects to the Unspent Corporate Social Responsibility Account as required under Section 136(6) of the Act, CSR section will send the copy of the Board approval to finance department for release of unspent CSR amount.

Conclusion

35. Any or all provisions of the CSR & Sustainability Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued by Government of India, from time to time and would also form an integral part of this policy as and when they become applicable and the policy may be considered to be amended to that effect.

36. In case any clarification is required with respect to the policy, Director/HR shall be authorised to issue such clarifications.



(Maj Gen Ravi Patil)
Director/HR

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Annexure**CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR**

1. Brief outline on CSR Policy of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
	Total		

6. Average net profit of the company as per section 135(5).

7. (a) Two percent of average net profit of the company as per section 135(5)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year, if any

(d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing Agency	
				State	District.						Name	CSR Registration number.
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District.			Name.	CSR registration number.
1.									
2.									
3.									
	Total								

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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