

## **Corporate Social Responsibility**

### **Preamble**

Corporate social responsibility may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promotes positive social and environmental change.

### **OBJECTIVE**

(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

### **Definitions**

Corporate Social Responsibilities (CSR).

Swelect Energy Systems Ltd (SWEES).

Committee: Directors constituted for the CSR activities.

Average Net Profit as defined in section 198 of the Companies Act, 1956.

### **Guiding Principles**

The Corporate Social Responsibility Committee shall,—

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the SWEES.

(b) recommend the amount of expenditure to be incurred on the activities and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

### **Role of the Committee:**

The committee makes the recommendations to the Board on CSR Policy. The Board approves the Corporate Social Responsibility Policy for the company and disclose contents of such policy in its report and also places it on the Company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company.

The Corporate Social Responsibility Committee shall ensure that the Company 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, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities: Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not having spent the amount.

Provided that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of a Company.

*Explanation.*—for the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198 of Companies, Act, 1956.

#### **Our CSR activities includes**

1. Promoting education, including special education and employment enhancing vocational skill among children, women, elderly and the differently abled and livelihood enhancement projects.
2. Training to promote, rural sports, nationally recognised sports, paralympic sports and Olympic sports.
3. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
4. Promising gender equality, empowering women, setting up homes and hostels for women and orphans, setting up of old age homes, day care and such other facility for senior citizen and measure for reducing inequalities faced by socially and economically backward people..
5. Measures for the benefit of armed forces veterans, war widows and their dependents.
6. Contribution to prime minister’s national relief fund or any other fund set up by the Central Govt. for socio-economic development and relief and welfare of the scheduled castes and tribes, other backward classes, minorities and women.

7. Rural development projects.

8. Clean India Mission.

#### **PERIODICITY AND MINUTES OF COMMITTEE MEETING**

The Committee will meet once in a year and the proceedings of the meeting will be tabled at the subsequent Board meeting.

#### **Conclusion**

A concept whereby Companies decides to contribute to a better society and a cleaner environment. And by becoming a good corporate citizen, an organisation can improve its competitive edge in respect of attracting and retaining investors, clients and employees.

**For SWELECT ENERGY SYSTEMS LIMITED**

**R. Chellappan**  
**Managing Director**

