

CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

CORE ENERGY SYSTEMS LIMITED

Document Control:

Document ID CS/PL/2024-25/10	Prepared by Ayushi Sharma	Date Prepared 31/08/2024
Revision 01	Reviewed by Sunayana Basarkar	Date Reviewed 16/09/2024
Managed By: Secretarial and Compliance Department	Approved by Board of Directors	Date Approved 27/09/2024

1. Introduction

CORE Energy Systems Limited (“hereinafter referred to as CORE”) is committed to operate and grow its business in a socially responsible way. We have long held the belief that being a responsible, sustainable business makes a stronger, better business.

This policy has been formulated as per the provisions of Section 135 of the Companies Act, 2013 together with the rules notified thereunder and Schedule VII to the Act and circular(s) and notification(s) issued by the Ministry of Corporate Affairs (MCA), from time to time ('the Act') to lay down the principles and mechanisms for undertaking various CSR programs through which the Company will contribute to the community at large to delineate its responsibility as a socially and environmentally responsible corporate citizen.

2. Definitions

2.1 “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

2.2 “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of normal course of business of the company;

- (ii) 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;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

2.3 **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

3. Scope of CSR Activities

As per Section 135 of the Companies Act, 2013 read with rules made thereunder the CSR activities shall include activities/projects/programs as specified in Schedule VII of the Companies Act, 2013 (as modified from time to time) which are as under:

- (i) 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;
- (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 setup by the Central Government for rejuvenation of river Ganga;

- (v) measure for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows;
- (vi) contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;
- (vii) 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 Defense 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).
- (viii) rural development projects.
- (ix) 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.

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

4. Corporate Social Responsibility Committee:

1. The Corporate Social Responsibility Committee of the Board shall consist of three or more directors with at least one director being an independent director at all times.
2. The Chairperson of the Committee shall be as designated by the board.
3. The Committee shall meet at least once in a financial year, with additional meetings when circumstances require, as determined by the Chairman of the Committee.

4. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
5. The Company Secretary of the Company shall act as Secretary to the CSR Committee.
6. The following functions shall be discharged by the Corporate Social Responsibility Committee:
 - Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subjects specified in Schedule VII.
 - Recommend the amount of expenditure to be incurred on the activities
 - Monitor the Corporate Social Responsibility Policy of the Company from time to time.
 - Formulate and recommend an Annual Action Plan every year.
 - ensure that the activities as are included in the Corporate Social Responsibility Policy of the company are undertaken by the company.
 - disclose contents of CSR Policy in its report and also place it on the company's website, if any.
 - Any other matter as the CSR Committee may deem appropriate after the approval of the Board of Directors or as may be directed by the Board of Directors from time to time.
7. Any member of the committee may be replaced or removed by the Board of Directors at any time and any member ceasing to be a director of the company shall also cease to be a member of the CSR Committee.

5. CSR Expenditure

1. The Company is required to spend, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial year.
2. The Committee/board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
3. Any surplus arising out of the 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 transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
4. Where the company spends an amount in excess of the requirement provided, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that the excess amount available for set off shall not

include the surplus arising out of the CSR activities, if any, and the Board of the company shall pass a resolution to that effect.

5. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
 - i. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - ii. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - iii. a public authority.
6. If the company fails to spend the required amount, the Board shall, in its report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
7. Any amount remaining unspent, pursuant to any ongoing project undertaken by a company shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in 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 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.

6. CSR Implementation

The Committee/Board shall ensure that the CSR activities are undertaken by the company itself or through, –

1. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
2. 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
3. any entity established under an Act of Parliament or a State legislature; or
4. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or

registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

7. CSR Reporting:

The Committee/Board of Directors shall ensure that a report on CSR projects/ programs undertaken during the previous year in the format prescribed for the “Annual Report on CSR Activities to be included in the Board’s Report” in the Companies (CSR Policy) Rules, which is in consonance with Section 134(3)(o) of the Act has been made and submitted according to provisions of Section 135 of Companies Act, 2013.

8. Policy review

1. This Policy is framed based on the provisions of the Applicable Laws.
2. In case of any subsequent changes in the provisions of the Applicable Laws which makes any of the provisions in the Policy inconsistent with such provision of the Applicable Laws, then such provisions of the Applicable Laws would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with Applicable Laws.
3. This Policy shall be reviewed by the Committee, as required from time to time. Any changes or modification to the Policy as recommended by the Committee would be placed before the Board for their approval.
4. Such disclosures of this Policy as may be required under the Act may be made.

Revision Control Sheet

Rev. No.	Description of Revision	Revised by	Reviewed by	Approved by	Revision date
01	Constitution of CSR committee and delegation of power thereafter.	Secretarial department	CSR Committee	Board of Directors	26/06/2025