

**WITZEAL TECHNOLOGIES PRIVATE LIMITED**

**Corporate Social Responsibility Policy**

**Lokah Samastah Sukhino Bhavantu**

**Let the entire world be happy**

This policy is effective from April 20, 2021.

**CSR POLICY**

## **TABLE OF CONTENTS**

1. Objective & Scope
2. CSR activities
3. CSR Committee constitution.
4. Powers and functions of CSR committee.
5. Meeting of CSR committee
6. CSR Budget and CSR spent
7. CSR initiative and Annual Action Plan
8. Collaboration
9. Disqualifying Activities for CSR
10. Monitoring Mechanism
11. Report
12. Publication of CSR Policy & Programs
13. Policy Review & Future Amendment

## 1. OBJECTIVE & SCOPE:

The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR as one of the key focus areas to make a positive contribution to society through high impact, sustainable programs. This Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future.

## 2. CSR ACTIVITIES:

In accordance with the requirements under the Companies Act, 2013, WITZEAL's CSR activities, amongst others, will focus on:

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- **EDUCATION:** Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.
- **RURAL DEVELOPMENT PROJECTS:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality and empowering women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- **NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts.

- Any other area as may be prescribed / allowed by Schedule VII (with liberal interpretation) amended from time to time.

### **3. CSR COMMITTEE CONSTITUTION:**

As per the provisions of Section 135 of the Act, read with the rules there under, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which shall comprise of two or more Directors of the Company or such other composition prescribed under Section 135 of the Act from time to time.

The CSR committee may constitute CSR working committee for effective implementation and monitoring of the CSR activities and projects of the Company.

### **4. POWERS AND FUNCTIONS OF THE COMMITTEE:**

Following are the Powers and functions of the CSR Committee:

The committee will also have the powers that are enshrined in the act or the rules there under:

- a. To formulate/amend CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- b. To recommend CSR activities as stated under Schedule VII of the Act and to decide on the locations for CSR activities.
- c. To approve and undertake CSR activities in collaboration with Group companies/ other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules
- d. To recommend the CSR Budget.
- e. To spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules either directly or through a trust or as allowed by the Law for the time being in force.
- f. To create transparent monitoring mechanism for implementation of CSR Initiatives in India
- g. To submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- h. To monitor CSR Policy from time to time

- i. To monitor activities/charter of Joint Working Group (JWG) who are authorized to ensure that the CSR activities of the Company are implemented effectively
- j. To authorize executives of the Company to attend the CSR Committee Meetings

**5. MEETINGS OF THE CSR COMMITTEE:**

The CSR Committee shall meet as and when required. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be minimum two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.

**6. CSR BUDGET/CSR SPEND:**

- It will be the Company's endeavour to spend in every financial year, two percent of its average net profits during the three immediately preceding financial years (or such other limit as may be prescribed under the Act), on CSR Programmes in pursuance of this Policy.
- The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the CSR Plan.
- Administrative overheads i.e expenditure on 'general management and administration' of Corporate Social Responsibility functions in the company shall not exceed five percent of total CSR expenditure of the company for the financial year
- Any surplus arising from the CSR Programmes will be used for CSR activities within six months from the end of the relevant financial year. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.
- If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years with the approval of the Board, on the recommendation of the CSR.
- The Company may also undertake any multiyear project within the ambit of Schedule VII of the Act read with this Policy as a CSR Project. The CSR Committee shall study the timelines required

for completion of the CSR project and can carry/execute such project as ongoing project with the approval of the Board and complying with the provisions of Section 135(6) of the Act. The Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period

“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.

- The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be 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 under sub-rule (2) of rule 4; or(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or(c) a public authority;
- Any unspent CSR amount which does not relate to any ongoing project shall be transferred to a fund Specified in Schedule VII of the Act within a period of 6 (Six) months of the expiry of the Financial year.

## **7. CSR INITIATIVES:**

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

### **Annual CSR Plan**

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
- the manner of execution of such projects or programmes
- the modalities of utilisation of funds and implementation schedules for the projects or programmes
- monitoring and reporting mechanism for the projects or programmes
- details of need and impact assessment, if any, for the projects undertaken by the company

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

#### **8. COLLABORATION:**

The Company may collaborate with other Affiliates or its subsidiaries or any other Company as may be approved by CSR Committee to implement CSR activities and the same shall form a part of the Annual CSR Plan. The Company may form a trusts/society/Company on its own to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities. The Company may jointly along with other Affiliates or its subsidiaries or any other Company form Trusts/society/company to administer the CSR activities.

#### **9. DISQUALIFYING ACTIVITIES FOR CSR:**

Contribution of any amount not allowed under the act will not be considered as CSR activities.

The CSR Rules prohibit the following as CSR -

1. Activities for benefit of the employees of the Company.
2. CSR activities undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level
3. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act.
4. Activities that are undertaken by the Company in pursuance of its normal course of business.
5. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

6. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

**10. MONITORING MECHANISM:**

CSR Committee would monitor all the CSR activities, projects and programs by following mechanism:

- Periodic reporting by Working Committee if CSR working committee is constituted by the CSR committee.
- Periodic review of the progress of the project or programmes by the CSR committee.
- Visits to the locations or site of the project or programme, if required.
- Achievement since the last progress report in terms of coverage compared to target and reason for variance.
- Actual year to date spends compared to budget and reason for variance.

**11. REPORTS:**

The Chief Financial Officer or the person responsible for Finance Function in the Company shall Report to the Board about the fund disbursed during /for the Financial Year toward various CSR projects or programs have been utilised for the purposes and in the manner as approved by the Board.

**12. PUBLICATION OF CSR POLICY & PROGRAMS:**

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

**13. POLICY REVIEW & FUTURE AMENDMENT:**

The Committee shall review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.