

Corporate Social Responsibility Policy
CoreEL Technologies (India) Private Limited

[Pursuant to Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time]

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1. INTRODUCTION

This policy is defined to enable the organization to engage with social causes with no business interests and establish a direction for choice of social cause to partner. The trigger for this policy document has been the provisions of the Companies Act, 2013 that mandates a spend of 2% of the average net profit for the 3 preceding financial years for social causes and administer the program / activities through a Corporate Social Responsibility (CSR) committee constituted for the purpose. This document establishes a direction aligned with the social objectives of the organization and attempts to establish a reference for all its activities.

Owing to the substantial changes in CSR provisions brought about by the Companies (Amendment) Act, 2020 read with the Companies (CSR Policy) Amendment Rules, 2021, this Policy is being amended / modified / new clauses inserted at the appropriate places.

2. APPLICABILITY OF CSR

In terms of Section 135 of the Companies Act, 2013 read with Rules made thereunder, CSR is applicable to 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 the immediately preceding financial year

3. OBJECTIVE & PURPOSE OF CSR POLICY

The following are the key objectives and purposes of this CSR Policy:

- i) Outline areas in which the Company may undertake CSR expenditure thereby enabling it to integrate development in the society through social and economic transformation.
- ii) Define a governance structure through which the CSR expenditure as well as activities could be effectively managed.
- iii) Serve as a document which provides guiding principles on:
 - a. Identification & Selection of CSR Projects
 - b. Execution of Projects
 - c. Implementation & monitoring mechanism
 - d. Reporting Mechanism
- iv) Provide an impetus to the management of the Company to undertake CSR activities in accordance with the provisions of the law.

4. CSR COMMITTEE

4.1 The CSR Committee has been constituted in accordance with the provisions of the Act. The Committee shall consist of minimum 2 Directors nominated by the Board. The CSR Committee may invite other experts/ invitees as per its requirements.

Provided that if any particular year, the CSR obligation of the Company does not exceed INR 50 Lakhs or such other threshold prescribed under the Act/Rules, the Board may at its discretion disband the CSR Committee and all functions and responsibility of the CSR Committee would rest with the Board of Directors of the Company.

The CSR Programs/activities approved by the Board shall be carried out by the CSR Committee. They shall be operationally responsible to ensure complete compliance with this Policy and provisions of the Act relating to CSR and function under the instructions and guidance of the Board.

The Committee members may attend the meeting physically or via such audio visual means as permitted under the Act.

4.2 Formulating the CSR Policy, including the CSR Activities and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy shall be the responsibility of the Committee.

4.3 The Committee shall meet to review the CSR strategy, proposals and the policy from time to time.

4.4 The Committee shall institute an implementation and monitoring mechanism for CSR Activities.

4.5 The Committee shall periodically update the Board on the progress being made in the planned CSR Activities.

4.6 The Committee shall draft an annual report for CSR activities that would form an annexure/addendum to the annual Board's Report of the Company.

4.7 The CSR Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this CSR Policy.

4.8 Change of members of the committee shall be approved by the Board of Directors.

4.9 Quorum for Meetings of the CSR Committee shall be a minimum of 2 members.

5. BROAD CATEGORIES OF CSR ACTIVITIES

The following are the broad range of CSR activities pre-approved by the Policy and are adopted from Schedule VII of the Act. The list is in no way exhaustive and any CSR spend in categories not listed below can be approved by the CSR Committee after due consideration.

- i. Eradicating hunger, poverty and malnutrition, promoting health care including 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. 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, 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.
- 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. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows
- vii. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- viii. Contribution to the Prime Minister's National Relief Fund or or Prime Minister's Citizen 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 Scheduled Tribes, other backward classes, minorities and women.
- ix. (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).]
- x. Rural development projects.
- xi. Slum area development.

- xii. Disaster management, including relief, rehabilitation and reconstruction activities
- xiii. Any other Projects / activities the Government may add from time to time to the Schedule VII of the Companies Act, 2013 or allow through clarifications/ Circulars.
- xiv. Any ancillary or incidental activities required to be performed to undertake any of the projects mentioned above subject to the prior approval of the CSR Committee.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

6. BUDGET & EXPENDITURE

- 6.1 In accordance with Schedule VII and Section 135 of the Companies Act 2013, the Company shall spend at least 2% of the average 'net profit' made during the immediate three preceding financial years. This amount for CSR will be approved by the Board as part of Annual Action Plan. The term 'net profit' shall mean net profit as defined in The Companies (Corporate Social Responsibility Policy) Rules, 2014 and shall be calculated in accordance with the provisions of Sec. 198 of the Companies Act, 2013, as amended from time to time.
- 6.2 The Board of Directors either by itself or through delegated power, shall ensure that the Company spends the budgeted expenditure for the said financial year in accordance with the provisions of the Act and the rules made thereunder. In terms of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020, the Board shall also ensure that the CSR contribution made out to the CSR Partners is spent by such CSR Partners in accordance with the agreed time lines so that the Company is able to meet its CSR obligation in a given financial year.
- 6.3 Salaries paid by the Company to regular CSR staff as well as to volunteers of the Company (in proportion to Company's time/hours spent specifically on CSR can be factored into CSR project cost as part of the CSR expenditure, subject to the cap of 5% of the total CSR expenditure of the Company in a financial year as prescribed under the provisions (as may be amended from time to time by the authorities). The Board may be guided by the permitted administrative overheads as provided in the Act and Rules.
- 6.4 All expenditure towards the CSR programs shall be pre-approved by the Board and diligently documented. The Board may ratify any expenditure beyond the approved figures only if made towards CSR.
- 6.5 Any profit/ revenue/ surplus arising out of CSR activities/ projects/ programs shall not be a part of business profits of the Company.
- 6.6 Any capital assets created out of the CSR expenditure shall not be treated as the assets of the Company and the treatment of the same shall be subject to the Act or Rules.
- 6.7 Any unspent CSR amount in a financial year shall be dealt with in accordance with the Act or Rules and the Company shall be guided by the nature of the CSR Activity – whether it is a one time or an ongoing project. The Board shall decide the nature of the CSR Activity.

7. PRINCIPLES FOR PLANNING & SELECTION

- 7.1 With a view to creating social and economic transformation as well as ascertain the basic needs/ requirements of the people and the local area, a baseline survey or a need assessment survey shall be conducted, bearing in mind the key focus areas laid out in this policy.
- 7.2 Based on the outcome of the need assessment survey, CSR activity or activities may be identified.
- 7.3 The CSR Committee shall evaluate all such activities, projects & programs of the CSR Partners.
- 7.4 CSR Committee shall prepare an Annual Action Plan for every financial year which shall *inter alia* contain the following:
- a. the list of CSR activities, projects & programs proposed to be undertaken during the financial year.
 - b. the manner of execution of such projects or programs i.e. either directly or through CSR Partners.
 - c. the modalities of utilisation of funds and implementation schedules for the projects or programs.
 - d. monitoring and reporting mechanism for the projects or programs
 - e. details of need and impact assessment, if any, for the projects undertaken by the company
- 7.5 The Annual Action Plan shall be approved by the Board of Directors. The Board may at any time during the financial year based on the recommendation of the CSR Committee, where applicable and based on a reasonable justification alter the annual action plan.

8. PRINCIPLES FOR IMPLEMENTATION OF CSR ACTIVITIES

The Board along with the CSR Committee shall be responsible for implementation of this CSR Policy.

- 8.1 The Company may carry out the CSR activities in accordance with the terms of this Policy, either on its own, or through any of the below specified modes:
- a. A registered trust or registered society or a Section 8 company, established either singly or along with any other company, which is registered under section 12A and 80 G of the Income Tax Act, 1961.
 - b. A registered trust or registered society or a Section 8 company, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature.
 - c. Any other registered trust or registered society or a Section 8 company, other than those specified above, which is registered under section 12A and 80 G of the Income Tax Act, 1961 and having an established track record of 3 (three) years in undertaking the relevant CSR activities.

8.2 If the Company chooses to carry out the CSR activities through a registered trust or registered society or a Section 8 company, which is established by a third party (“**CSR Partner**”) guidelines mentioned here under are required to be followed in choosing such CSR Partner.

- a. CSR Partner shall be either a registered trust or a registered society under the applicable laws or a company incorporated under Section 8 of the Act with an established track record of 3 (three) years in undertaking activities in the focus areas in which the Company intends to carry out CSR activities.
- b. The CSR Partner must have a valid registration under Sec. 12 A & Sec. 80G of the Income Tax Act, 1961.
- c. The CSR Partner should have a unique CSR Registration Number issued by the Ministry of Corporate Affairs.
- d. CSR Partner should have complied with the applicable laws and no notice for non-compliance under any applicable laws should have been received from any authorities.
- e. The CSR Committee shall discuss the CSR Policy and the objectives of the Company in this regard with the proposed CSR Partners.
- f. The Company shall procure a detailed project report from the shortlisted CSR Partners regarding the course of action that they intend to undertake, if chosen to implement a particular CSR activity on behalf of the Company.

8.3 The CSR Partner should be identified following the due procedure established by the Board in this regard. Parameters such as good track record, governance structure, relevant experience in undertaking the CSR activities and brand reputation may be considered.

8.4 If any CSR Activity taken up for implementation is found not properly implemented, the CSR Committee may, with approval of the Board, may discontinue funding the project at any time during the course of implementation and use such funds for any other project.

9. PRINCIPLES FOR MONITORING OF CSR ACTIVITIES

9.1 The CSR Committee will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings, progress reports, fund utilization certificates by the CSR Partners, post implementation limited review reports by professionals etc. (wherever required and deemed necessary).

9.2 Appropriate mechanisms to evaluate the progress of the CSR Activities shall be put in place based on which CSR contribution can be made to the CSR Partners. This can be either one time or milestone -based contribution depending on the nature of the CSR Activity.

9.3 Mechanisms to track data and monitor projects shall be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the Annual Action Plan.

10. PRINCIPLES FOR REPORTING OF CSR ACTIVITIES

- 10.1 The CSR Committee will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Companies Act 2013 and the rules made thereunder.
- 10.2 The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.
- 10.3 The Chief Financial Officer or the person responsible for financial management shall certify to the effect that that the funds so disbursed have been utilized for the purposes and in the manner as approved by the Board.

11. EXPENDITURE NOT COVERED OR RECOGNISED

In terms of the Rules, the following contributions shall not be considered as CSR Expenditure:


- 11.1 Contributions of any amount, whether directly or indirectly, to any political party or any person associated with a political party.
- 11.2 Amount spent, whether directly or indirectly, for the benefit of employees of the Company, its Subsidiaries and Associates and their families.
- 11.3 Expenses incurred by the Company for the fulfillment of obligations any act / statute of regulations (such as labour laws, land acquisition act etc.)
- 11.4 Expenses incurred by the Company for one off events such as marathons / awards / charitable contribution / advertisement / sponsorships of TV programs etc.
- 11.5 Other contributions / expenses not recognized under the Act / Rules as amended or modified, from time to time.

12. POLICY GUIDELINES

- 12.1 Long term support for same initiative over consecutive years is recommended to ensure complete outcomes / results behind the investment. Nevertheless, continued support to the initiative is subject to positive evaluation of the support provided during previous years.
- 12.2 Specific outcomes shall be identified for each contribution & clear milestones / measurement criteria identified for each case. The outcome shall be tracked and evaluated with evidences as appropriate and reviewed within the next financial year by the CSR committee.
- 12.3 Any contributions made to political parties in any form – cash/kind/time shall not qualify as CSR expense under this policy.
- 12.4 Any institution identified for contribution shall not be black listed by any government / judicial authorities at the time of making the contribution.
- 12.5 It is mandatory to contribute to CSR initiatives within the geographic boundaries of India, while there shall be a preference for initiatives in the local region where the company is located. Exceptions are cases of natural disaster relief programs of great magnitudes, where the geographical restrictions do not apply.

13. AMENDMENTS TO THE POLICY

The CSR Committee is empowered to amend or modify the CSR Policy and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable law, at any time approve or alter, amend or modify the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.

 Vishwanath Padur Chairman Date: 19.08.2021	 Chetan Vadilal Sanghvi Member Date: 19.08.2021	 S. S. Sundaram Member Date: 19.08.2021
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