

## **CADOPT TECHNOLOGIES PRIVATE LIMITED**

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**CIN:** U74900KA2014PTC077156

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

Effective Date: 1<sup>st</sup> December 2022

**BACKGROUND:**

Corporate Social Responsibility (CSR) is the commitment of companies to provide resources and support activities focused on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

The Company's objective (either directly or through specified Trust/Foundation) is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress and to endeavor for sustainable development for the society and enhance value creation, goodwill & recognition of the company in the society. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

The Corporate Social Responsibility Policy (CSR Policy) of the Company sets out the framework guiding the Company's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

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## **SCOPE OF CORPORATE SOCIAL RESPONSIBILITY POLICY**

The Policy would pertain to all activities undertaken by the Company towards fulfilling its corporate social responsibility objectives. The policy would also ensure compliance with Section 135 of the Companies Act, 2013 read with Schedule VII, related rules and circulars (the Act).

### **ACTIVITIES TO BE UNDERTAKEN FOR CSR:**

The Company will focus its efforts within the constituencies of girls, youths, aged and disabled, through programmes designed in the domains of education, health, medical care and rehabilitation.

However, the Company's commitment to CSR will be manifested by investing resources in the following areas:

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and 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
- (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;
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- (viii) 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;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects.
- (xi) Slum Area Development.
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

### **SCOPE AND APPLICABILITY**

The Company supports the involvement of its employees in CSR activities. The Company will encourage employees to participate in CSR activities of the Company.

## **GOVERNANCE STRUCTURE**

Pursuant to the provisions of Section 135 of the Companies Act, 2013, 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 must consist of at least two or more Directors.

However pursuant to Section 135 (9) of the Companies Act, 2013, where the amount to be spent by the Company under sub-section 135 (5) of the Companies Act, 2013 does not exceed fifty Lakh rupees or the company is not having any amount in its Unspent Corporate Social Responsibility Account pertaining to any ongoing projects as per sub-section (6) of Section 135, the requirement for constitution of the Corporate Social Responsibility Committee is not applicable. Hence, the Company shall constitute the CSR Committee when the amount to be spent by the Company exceeds Fifty Lakh Rupees or the Company deposits any amount in its Unspent Corporate Social Responsibility Account pertaining to any ongoing projects. The functions of such Committee shall be discharged by the Board of Directors of the Company till constitution of CSR Committee. The Board may constitute/reconstitute/dissolve the CSR Committee in compliance with Section 135 (9) of the Companies Act, 2013.

## **FUNCTIONS OF CSR COMMITTEE AND BOARD**

The CSR Committee, if any shall:

1. Formulate and recommend to the Board the CSR Policy and any amendments thereto indicating to the activities to be undertaken by the Company as specified in the Schedule VII of the Act;
2. Review and recommend the annual CSR plan to the Board;
3. Monitor the CSR activities and compliance with the CSR policy from time to time; and
4. Review and implement, if required, any other matter related to CSR initiatives.

The Board of Directors shall:

1. Approve the CSR Policy and any amendments thereto based on the recommendations of the CSR Committee, if any;
2. Approve the CSR activities and annual CSR plan based on the recommendations of the CSR Committee, if any; and
3. Review of CSR activities.

## **MONITORING & REPORTING**

CSR activities identified and administered by the Management team of the company and the fund allocation thereof shall be placed before the CSR Committee, if any for its approval. The CSR Committee, if any will in turn recommend the same to the Board of Directors for approval.

The Management team of the company shall comprise of Directors, Managing Director and Whole-time Director of the Company. The Management team shall submit periodical report(s) to the CSR Committee, if any about execution of CSR project/ CSR spend. The provision of this policy shall be subject to amendment by the Board of Directors of the Company as per the

recommendation of CSR Committee, if any or pursuant to guidelines as may be issued under the Companies Act or rules framed thereunder from time to time.

## **DETERMINING & DISBURSING CSR EXPENDITURE**

### **1. Determination of CSR Expenditure for the Financial Year**

In every financial year, the CSR Committee, if any and the Board shall ensure that the Company spends such minimum amount as 'CSR Expenditure' as required and as stipulated under the Section 135 of the Companies Act, 2013 and Rules thereunder.

### **2. Set-off of Excess amount of CSR Expenditure**

If in any financial year, the Company spends an amount in excess of the above determined CSR Expenditure, such excess amount may be set off against the requirement to spend such amount of CSR Expenditure in the immediately succeeding three financial years subject to the conditions that –

- a. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in accordance with the provisions of the Companies Act, 2013 and
- b. the Board shall pass a resolution to that effect.

### **3. Administrative Overheads**

The Company shall ensure that the expenses incurred for general management and administration ("administrative overheads") towards the Corporate Social Responsibility functions in the Company do not exceed five percent of total CSR Expenditure for that financial year.

### **4. Disbursement of CSR Expenditure**

The amount to be allocated and utilized towards the CSR activities would be in line with the statutory requirements. The amount proposed to be disbursed shall be first decided by the CSR Committee, if any and subsequent approval of the Board. The maximum allocation to each eligible entity/beneficiary bearing CSR Registration Number shall be approved by the CSR Committee, if any and Board of the Company. The actual amount disbursed shall be within the maximum outlay as approved by the CSR Committee, if any and the Board. The details of final disbursement of the CSR Expenditure to various entities/beneficiaries shall be reported to the CSR Committee, if any and Board.

### **5. Transfer of unspent CSR Expenditure**

If the Company fails to spend the determined CSR Expenditure (other than any ongoing project), the Board shall pass a resolution to transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Further, in case an amount remains unspent on any ongoing project undertaken by the Company, the same shall be transferred to a special account named 'Unspent Corporate Social Responsibility Account' opened within a period of thirty days from the end of the financial year, and such amount shall be spent by the Company in pursuance of its obligation

towards the Corporate Social Responsibility Initiative's 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. Impact Assessment**

The Company on having an average CSR Expenditure of Ten Crore rupees or more in pursuance to Section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of its 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 Company undertakes impact assessment in any financial year, the expenses incurred thereunder shall not exceed five percent of the total CSR Expenditure for that financial year or Fifty Lakh rupees, whichever is less.

#### **CONSTITUTION OF CSR COMMITTEE IF ANY**

The CSR Committee if constituted, shall comprise of 2 (Two) Directors pursuant to Section 135 of Companies Act, 2013 and Rule 5 of Companies (Corporate Social Responsibility Policy) Rules 2013

#### **MEETINGS OF CSR COMMITTEE**

The CSR Committee, if any may meet at such intervals as may be considered appropriate by the Committee or as and when it is required.

Besides the physical meeting, the Committee may hold a meeting through video conference or tele-conference or any other similar mode as permitted under Companies Act and Rules made thereunder.

#### **NOTICE & AGENDA OF MEETING**

A notice of not less than 7 working days before the date of the meeting specifying the date, time & venue of the meeting together with the list of business to be conducted at the meeting shall be circulated to each member of the Committee either physically or by electronic means. The meeting may be called at shorter notice or the notice period may be waived off provided the consent of all the members is recorded in writing.

#### **QUORUM**

The Quorum for meeting shall be Two Directors or One Third of the constitution of the committee, whichever is higher.

#### **MINUTES OF MEETING**

Mr. Senthil Kumar Sivaraj (DIN: 06987940), Wholetime Director, shall be responsible for drafting & maintaining the minutes of the CSR Committee meetings, if any.

The draft minutes will be circulated to the members for their inputs and each approved minutes will be placed before the Board of Directors for noting.

#### **RESOLUTION PASSED BY CIRCULATION**

A resolution shall be valid and effective as if it has been passed at a CSR Committee meeting duly called & constituted, if it is passed by circulation by an affirmative majority vote of the members. The resolution passed by the circulation shall be recorded in the minutes of the subsequent meeting of the Committee.

#### **MODALITIES AND IMPLEMENTATION PLAN**

The Company may undertake any of the above activities subject to submission of plan with regard to modalities and schedule of implementation of the said activities.

The Committee may consider to undertake the CSR activities itself or through a company established under Section 8 of the Act, or a registered public trust or a registered society as permitted under The Companies (Corporate Social Responsibility Policy) Rules, 2014.

Further, with prior approval of the CSR Committee and the Board of Directors, CADOPT TECHNOLOGIES PRIVATE LIMITED may collaborate with any other company for undertaking CSR activities in such manner that the CSR Committees of the collaborating Companies are in a position to report separately on such CSR activities.

CADOPT TECHNOLOGIES PRIVATE LIMITED may build CSR capacities of its own personnel as well as those of its implementing entities, if any, through institutions with established track record of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

#### **CSR EXPENDITURE**

In compliance of the Act & with the approval of the Board of Directors, the CSR Committee, if any shall endeavour to spend atleast 2% of the average net profits the 3 (Three) immediately preceding financial years on CSR Activities as enumerated above.

CSR spend shall be made on or before 31<sup>st</sup> March of the relevant financial year, unless the same is for any ongoing projects pursuant to sub-section (6) of Section 135 of Companies Act, 2013, the same is to be transferred to Funds specified under Schedule VII of Companies Act, 2013 in compliance with Section 135 of Companies Act, 2013 and Rules made thereunder. Any surplus arising out of the contribution made for CSR Activities shall not form part of the business profit of the company and be redeployed for such activities.

#### **EXCLUSION FROM CSR**

The following activity shall not form part of the CSR activities of the Company:-

1. The activities undertaken in pursuance of normal course of business of a company.

2. CSR projects/programs or activities that benefit only the employees of the Company and their families.
3. Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes under Section 182 of the Companies Act 2013.
4. Any CSR projects/programs or activities undertaken outside India.
5. Any contribution towards activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
6. Any contribution towards activities carried out for fulfilment of any other statutory obligations under any law in force in India.

#### **DISCLOSURES AND MISCELLANEOUS**

The Company's CSR Policy will be published on its website, if any. The Annual Report of the Company shall include a Section on CSR outlining the CSR Policy, CSR committee, CSR initiatives undertaken by Company, the CSR spend during the financial year and other information as required by the prevailing law; which are listed out as follows:

1. A description of contents of the CSR policy;
2. An overview of the CSR activities;
3. The composition of the CSR Committee;
4. Average net profit for the preceding three financial years;
5. Prescribed CSR expenditure;
6. Details of amount spent in the prescribed format;
7. Amount unspent, if any, and reasons for not spending the amount;
8. Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy; and
9. Such other matters as may be specified from time to time for inclusion in the annual report.

*The above information shall also be displayed on the Company's website*

The provisions of the CSR policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Central Government or the Ministry of Corporate Affairs from time to time.

For and on behalf of the Board of Directors  
**of Cadopt Technologies Private Limited**



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**Senthil Kumar Sivaraj**  
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**Date: 1<sup>st</sup> Dec 2022**  
**Place: Bangalore**