

# Corporate Social Responsibility Policy

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## CORPORATE SOCIAL RESPONSIBILITY

### 1. Introduction:

**GoAptiv Private Limited** (Company) has been socially conscious of the importance of its efforts towards working for the community in and around its areas of its operations. Considering this philosophy of the Company and in compliance with the Companies Act, 2013 (Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) including any amendments and statutory modifications thereof (the Act and CSR Rules together hereinafter referred to as 'Applicable Laws') has formulated the CSR Committee to (i) formulate and recommend to the Board CSR Policy ; (ii) recommend and monitor expenditure to be incurred on the CSR activities; and (iii) do all such acts, deeds and things as may be delegated by the Board or required under the Applicable Laws.

### 2. 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 and to make a positive contribution to society through high impact, sustainable programs.

This Policy has been framed in compliance with Applicable Laws and covers guiding principles, mode of implementation, approval and monitoring mechanism.

### 3. Definitions

In this Policy unless the context otherwise requires:

**3.1 'Act'** means Companies Act, 2013, including any modifications, amendments or re-enactment thereof.

**3.2 'Corporate Social Responsibility' or 'CSR Activities'** (CSR) means and include projects and / or programmes undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this CSR Policy.

**3.3 'Net profit'** means net profit as calculated pursuant to provisions of in Applicable Laws

Net profit as per financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following namely:-

- I. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
- II. Any dividend received from other companies in India which are covered under and complying with the provisions of Applicable Law.

**3.4** Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

#### **4. Guiding Principles**

Company shall follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan:

- 4.1** In undertaking CSR Activities, the Company shall give preference to the local areas where the Company operates or has its offices.
- 4.2** The Company shall not discriminate against the beneficiaries of the CSR Activities, on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR Activities to benefit the economically or socially weaker, or marginalised sections, of the society.
- 4.3** The Company shall ensure that all the CSR Activities are implemented as per the approved Annual Action Plan, authorised by the Board.
- 4.4** All the CSR Activities of the Company shall be undertaken either directly or through any of the implementing agencies. The Company should ensure that the implementing agency is registered with Central Government in compliance with Applicable Laws.
- 4.5** The Company may also collaborate with other companies for undertaking CSR activities in compliance with Applicable Laws.

#### **5. CSR Activities**

The policy recognises that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified Applicable Laws:

- 5.1** 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;
- 5.2** Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects;
- 5.3** 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;
- 5.4** 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 set-up by the Central Government for rejuvenation of river Ganga);

- 5.5 Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art: setting up public libraries; promotion and development of traditional arts and handicrafts:
- 5.6 Measures for the benefit of armed forces veterans, war widows and their dependents;
- 5.7 Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- 5.8 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 Schedule Castes, the scheduled tribes, other backward classes, minorities and women;
- 5.9 Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- 5.10 Rural development projects;
- 5.11 Slum area development.
- 5.12 Any activities or subjects specified in Schedule VII of the Act

## **6. Contribution for CSR Activities**

- 6.1 The Board of the Company 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 the Policy;
- 6.2 Any amount remaining unspent at the end of the financial year, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII of the Act for this purpose, within a period of six months of the expiry of the relevant financial year.
- 6.3 In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII of the Act for this purpose, within a period of thirty days from the date of completion of the third financial year.
- 6.4 Any surplus arising out CSR projects, programmes or activities shall not form part of the business profits of the Company and shall be utilised towards the eligible CSR activities/in accordance with Applicable Laws.

## **7. CSR Committee**

### **7.1 Constitution**

Pursuant to Applicable Laws, 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 atleast two or more Directors.

The Committee members shall be appointed by resolution of the Board. Each member shall continue as a member unless the member resigns, or is removed by resolution of the Board or otherwise ceases to be a member of the Board.

The Board, or in the event of its failure to do so, the Committee, shall appoint Chair from among the Committee members. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among the members present.

## 7.2 Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet atleast once in a Year. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings.

Quorum for the meeting should be 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 Act and rules made thereunder from time to time. Minutes of the CSR Committee shall be placed before the Board for noting.

## 7.3 Powers of the Committee

Following are the Powers of the CSR Committee:

- I. Formulate the CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- II. Formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy, which shall include the following, namely:-
  - 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; and
  - details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that 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.
- III. 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 Applicable Laws.
- IV. Create transparent monitoring mechanism for implementation of CSR Initiatives in India.
- V. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.

- VI. Monitor CSR Policy from time to time.
- VII. Authorize executives of the Company to attend the CSR Committee Meetings.

## **8. Monitoring and Reporting**

- 8.1 The CSR Committee shall be responsible to monitor and review the progress of activities undertaken/ completed;
- 8.2 The CSR Committee should ensure that the implementation agency has devised a robust monitoring mechanism to ensure the CSR activities are undertaken effectively in accordance with the Applicable Laws.
- 8.3 The Board shall review the status of implementation and fund utilization of the various projects and programmes as per approved Annual Action Plan at least once in a year.
- 8.4 For the Board to satisfy itself that disbursed CSR funds have been utilized for its intended use, it can rely on the certificate issued by the Chief Financial Officer.
- 8.5 The Board Report shall contain a section of Annual Report on CSR as per the format prescribed under the Rules.

## **9. Disqualifying Activities for CSR**

The CSR Rules does not consider following activities to qualify as CSR Activities. Therefore, spending on following activities will not be accounted as spend on CSR Activities by the Company:

- 9.1 Activities undertaken in pursuance of normal course of business of the Company.
- 9.2 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.
- 9.3 Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- 9.4 Activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019.
- 9.5 Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- 9.6 Activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- 9.7 Other contributions/ expenses not recognized under the Applicable Laws as amended or modified, from time to time.

## **10. Reporting**

The Company reports its CSR performance along with its annual performance as a combined report. The Board Report shall contain a section of Annual Report on CSR as per the format prescribed under the Rules.

## **11. Amendments**

**11.1** This Policy shall remain in force unless amended or withdrawn.

**11.2** The CSR Committee shall recommend the Board of Directors to amend this Policy to appropriately incorporate statutory amendments relating to corporate social responsibility from time to time.

**11.3** The Board may, in accordance with Applicable Laws, alter, amend, review, substitute this Policy as and when required without any prior intimation to any stakeholder for justified reasons.