

Sahasra Electronics Private Limited

(CIN: U51505DL2001PTC111282)

Corporate Social Responsibility (CSR) Policy

1.1 Introduction

Corporate Social Responsibility is not a new concept in India, however, the Ministry of Corporate Affairs, Government of India has recently notified the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 "hereinafter CSR Rules" and other notifications related thereto which makes it mandatory (with effect from 1st April, 2014) for certain companies who fulfil the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility. As mentioned by United Nations Industrial Development Organization (UNIDO), CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple Bottom-Line- Approach"), while at the same time addressing the expectations of shareholders and stakeholders.

1.2 Applicability

Pursuant to section 135 of the Companies Act, 2013, as amended ("**Act**") every company which falls under any of the following criteria during the immediately preceding financial year:

- Net worth of Rs. 500 crores or more; or
- Turnover of Rs. 1,000 crores or more; or
- Net Profit of Rs. 5 crores or more

shall constitute a Corporate Social Responsibility committee, and shall endeavor to spend minimum 2% of its average net profits during 3 immediately preceding financial years on corporate social responsibility ("**CSR**") activities as prescribed in Schedule VII of the Act.

1.3 DEFINITIONS

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re-enactments thereof.

"Act" means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

"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."

"Board" means the Board of Directors of the Company.

"Company" means Sahasra Electronics Private Limited (CIN – U51505DL2001PTC111282), a Company existing under the Companies Act, 2013 and having its registered office at House No. 33, Pocket - I, Jasola New Delhi 110 044 IN and includes its successors and assigns.

"CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

"CSR Policy" means a statement containing the approach and direction given by the board of a

company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

“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;

1.4 Why CSR

For Sahasra Electronics Private Limited (the “Company”)

- Of course, it is a statutory requirement.
- Noble cause- giving back to the society.
- We feel responsible for the environment.
- Active participation in community life.

1.5 CSR Activities:

CSR means the activities undertaken by a company in pursuance of its statutory obligation laid down in section 135 of the Act read with Schedule VII of the Companies Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”), but shall not include the following, namely:-

(i) activities undertaken in pursuance of normal course of business of the company. Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

(a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the annual report on CSR included in the board’s report;

(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;

The CSR activities of the Company shall be aligned to the activities mentioned in Schedule VII of the

Act. Further, the Company's CSR activities shall align as far as possible and practicable with the theme adopted by the CSR committee and shall require approval from Board of Directors.

The list of permissible CSR activities as mentioned in Schedule VII of Companies Act 2013 is as under:

- (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 vocational 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 centers 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 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 recognized sports, paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund, 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) contributions 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.

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.

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

1.6 Implementation of CSR Projects:

The Board of Directors of the Company shall ensure that the CSR activities are undertaken by the Company itself or through –

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) 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
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

1.7 CSR Policy of the Company

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. The CSR Committee and/or the board of directors of the Company, through a resolution in a meeting or through circular resolution shall adopt this policy based on which the Company will spend on.

(a) Constitution

The members of CSR Committee shall be appointed by the Board of Directors of the Company. The CSR Committee shall consist of three or more directors. Members of the CSR Committee shall meet, at mutually decided time, as and when required by sending notice or e-mails in order to perform, decide and monitor the implementation of this CSR Policy.

(b) Powers of the Committee

Following are the Powers of the CSR Committee:

- (a) Formulate and amend, time to time, this CSR Policy and recommend the same to the Board of Directors of the Company for approval and adoption.
- (b) To recommend and undertake such CSR activities as approved by the Board of Directors of the Company.
- (c) To prepare and recommend the amount required for CSR activities.
- (d) To monitor the implementation of CSR activities in terms of the CSR Policy.
- (e) To prepare and submit reports on the progress of CSR activities undertaken by the Company.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes as specified;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) 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.

1.8 Board's Rights and Responsibilities

Following rights and responsibilities vests with the Board of the Company in connection with the CSR Policy and framework:

- (a) To approve the CSR Policy as recommended by the CSR Committee.
- (b) To make mandatory disclosures in the Company's Annual Reports and website, relating to CSRCommittee members, Policy and the activities undertaken
- (c) To ensure annual reporting of CSR Policy and activities to the appropriate governmental authority as mandated by applicable law.
- (d) Ensuring that it specifies the reasons in its report (under clause (o) of subsection (3) of section 134 of the Act) for not spending the earmarked amount in case the Company does not spend such amount during the relevant financial year.

1.9 Amendment

The Board of Directors may, based on its assessment of the Company's needs, financial soundness, legal and regulatory developments, subject to compliance with the applicable laws and rules, at any time modify, change, vary, alter, amend, this CSR Policy.