

VVDN Technologies Private Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

(As amended – 30th March, 2022)

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1. PREAMBLE

VVDN Technologies Private Limited was incorporated in 2007 (hereinafter referred to as ‘Company’). The Company’s business is of all kinds of consultancy related to Information Technology, Information Technology Enabled Services (ITES), Information Security, Network/ Systems Management/ Testing, Data Capturing/ Conversion/ Digitization, Software Development/ Testing and manufacturing, buying, selling, altering, improving, importing or exporting or otherwise deal in all kinds of electronics.

VVDN Technologies Private Limited has always been sensitive towards the society, workers & other stakeholders and has been contributing towards Corporate Social Responsibility (CSR) in its own manner. While striving to deliver excellence in our business the Company also believes in contributing to the sustainable development of society and environment and make our planet a better place for coming generations. The Company has now decided to formulate its CSR policy.

2. OBJECTIVES

The main objective of CSR Policy is to lay down guidelines for undertaking CSR initiatives in accordance with Section 135 of the Companies Act, 2013 and applicable rules made thereunder, for making sustainable growth along with sustainable development of society. The Company will act as a good Corporate Citizen, subscribing to the Global standards.

3. APPLICABILITY

As per Section 135 of the Companies Act, 2013, every Company satisfying any of the following criteria basis the Audited Financial statements of the immediately preceding financial year shall constitute a Corporate Social Responsibility (“CSR”) Committee:

- 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.

The CSR Policy shall apply to all CSR Projects/Programs undertaken by the Company for the welfare and sustainable development of different segments of the society.

4. CSR COMMITTEE & ITS RESPONSIBILITY

The Board of Directors has constituted a Corporate Social Responsibility Committee (“CSR Committee”). The Committee may be reconstituted by the Board of Directors, at any time to meet out the criteria

prescribed under the Companies Act, 2013 or for any other reason, whatsoever. The quorum for a CSR meeting shall be 1/3rd of the total number of directors or 2 directors whichever is the higher number.

The CSR Committee shall be responsible for:

- a) Formulating and recommending the CSR Policy to the Board;
- b) Identifying Projects / Programs to be undertaken as per Schedule VII of the Act and Policy;
- c) To formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy.
- d) Recommending to the Board the CSR expenditure to be incurred;
- e) Monitoring the CSR Policy and recommending to the Board, modifications to the said policy as and when required.

5. GUIDING PRINCIPLES

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

- a) In undertaking CSR Activities, the Company shall give preference to the local areas wherein the Company operates or has its offices.
- b) The Company shall undertake only such CSR Activities, as are identified as under this Policy and as are permitted under the applicable laws.
- c) 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 marginalized sections, of the society.
- d) The Company shall endeavor utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.
- e) The Company shall either undertake the project directly or through Implementation Agency, and shall, to its best of its ability, ensure that the partners or vendors selected by the Company or the Implementation Agency, satisfy the criteria specified by the applicable laws and have relevant experience.

- f) The Company shall, on the basis of reasonable justification for such change, alter the annual action plan during the financial year on the recommendation of CSR Committee.

6. CSR ACTIVITIES

The Company shall undertake CSR activities in following areas as specified under the Schedule VII of the Companies Act, 2013:

- (a) Eradicating hunger and poverty and malnutrition, promoting health care including preventive health care and sanitation, ("including contribution to the Sawch Bharat Kosh set-up by the Central Government for the promotion of sanitation") and making available safe drinking water;
- (b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. Improving infrastructure of schools or educational institutions
- (c) Promoting gender equality and 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;
- (d) 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");
- (e) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and work of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (f) 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]
- (g) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (h) Contribution to the Prime Minister's National Relief Fund [or Prime Ministers 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;
- (i) 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;

- (j) 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).]
- (j) rural development projects;
- (k) slum area development;
- (l) disaster management, including relief, rehabilitation and reconstruction activities.
- (m) such other activities as may be added in the Schedule VII of the Companies Act, 2013 from time to time and as approved by the CSR Committee of the Company.

7. MODE OF IMPLEMENTATION

The CSR Activities shall be executed through one or more of the following modes:

- a. directly by the Company; and/or
- b. Through any of the following Implementing Agencies, duly registered with the Ministry of Corporate Affairs for undertaking the CSR activities:
 - Company established under Section 8 of the Act or a registered trust or a registered society, registered under Section 12A and 80 G of the Income Tax Act, 1961, established by the Company, either singly or along with any other Company; and/or
 - Through 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 any entity established under an Act of Parliament or a State legislature; and/or
 - Through a Company established under Section 8 of the Act or a registered trust or a registered society, other than those specified above, registered under Section 12A and 80 G of the Income Tax Act, 1961, and having an established track record of atleast three years in undertaking similar activities, programs or projects; and/or
- c. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programme

8. CSR EXPENDITURE

- a) In a financial year, the Company shall spend at least 2% of the average net profits of the Company made during the immediately preceding 3 (three) financial years.
- b) CSR Expenditure shall mean all expenditure incurred in respect of specific projects/ programs relating to the approved CSR activities but shall not include:
 - i) Expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII of the Companies Act, 2013;
 - ii) activities undertaken in normal course of business of the Company;
 - iii) 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;
 - iv) contribution of any amount directly or indirectly to any political party v) activities benefiting employees of the Company;
 - vi) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vii) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- c) The Annual CSR Budget will be approved by the Board of Directors of the Company upon recommendation by the CSR Committee.
- d) The Company shall not consider any administrative expenses, except the cost of Impact Assessment, in meeting its CSR obligation, provided that, such costs shall not exceed the cap for such impact assessments, prescribed under the Companies Act, 2013 read with relevant rules thereunder, as amended from time-to-time.
- e) The Company shall ensure that the administrative overheads shall not exceed 5 % of total CSR expenditure of the Company for the Financial year.
- f) Any amount remaining unspent at the end of the financial year, except in case of an ongoing project, shall be transferred to a Fund under Schedule VII of the Companies Act, 2013 for this purpose, within a period of six months of the expiry of the relevant financial year.
- g) 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 Companies Act, 2013 for this purpose, within a period of thirty days from the date of completion of the third financial year.

- h)** Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profits of the Company and shall be utilized towards the eligible CSR Activities / addressed in accordance with the applicable laws.
- i)** Capital asset acquired or created by the Company by spending CSR amount shall be held by
 - 1) 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;
 - 2) the beneficiaries of the said CSR project or 3) public authority for the benefits of all. The company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed off without prior permission of the company.

9. ANNUAL ACTION PLAN

- a)** The CSR Activities to be undertaken by the Company under the Policy shall be approved by way of Annual Action Plan by the Board, on the recommendation of the CSR Committee.
- b)** The Annual Action Plan shall, inter alia, include the following information with respect to the CSR activity proposed to be undertaken by the Company:
 - i)** list of CSR Activities to be undertaken in the relevant financial year;
 - ii)** local area where the CSR Activities are to be undertaken;
 - iii)** manner of execution;
 - iv)** modalities of utilization of funds and implementation schedules for the CSR activities;
 - v)** monitoring and reporting mechanism; and
 - vi)** details of need and impact assessment, if any.
- c)** The Board, on the recommendation of the CSR Committee, shall be the absolute authority to update, alter, modify, amend, withdraw and replace the Annual Action Plan for justified reasons.

10. MONITORING AND REPORTING

- a.** Under the overall supervision of the Board and the CSR Committee, the Implementation Agency (in case the CSR Activities are undertaken by any other Implementation Agency), shall be responsible to monitor the CSR Activities. The Implementation Agency shall devise a robust monitoring mechanism to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plan.

- b.** The CSR Committee shall periodically review the progress of various CSR projects/programs undertaken by the Company.
- c.** 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.
- d.** The minutes of the meetings of the CSR Committee shall be placed before the Board.
- e.** The Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.
- f.** In case of ongoing project, 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.

11. DISCLOSURE

The composition of the CSR Committee, the CSR Policy and the Projects approved by the Board for undertaking CSR activities shall be displayed on the website of the Company.

Necessary disclosures relating to Corporate Social Responsibility, as may be stipulated by law from time to time, shall be included in the Board's Report.

12. REVIEW AND AMENDMENT

The Policy may be reviewed and amended from time to time. The CSR Committee may amend or modify any or all the provisions of the policy subject to the approval of Board of directors.
