



CORPORATE SOCIAL RESPONSIBILITY POLICY

Version 1.0

Confidential

Revision History

Date	Description	Author
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Approval History

Date	Approval	Title
24 th May-2022	Sumeet Srivastava	Board Members Sign off by Managing Director

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1. Preamble

Pursuant to the provisions of section 135 and schedule VII of Companies Act, 2013 (**“the Act”**) read with the Companies (Corporate Social Responsibility) Rules, 2014 (**“the CSR Rules”**), Spocto Solutions Private Limited (**“the Company”**) is required to constitute the Corporate Social Responsibility Committee (**“the Committee”**).

The Act provides that the Committee shall recommend to the Board of Directors of the Company (**“the Board”**) a policy, relating to identification of list of activities/ projects/ programs for the purpose of CSR expenditure, implementation and monitoring thereon and the amount of expenditure to be incurred thereon.

This Policy is formulated in compliance with the requirement of the Act read along with the applicable rules thereto. The processes and clauses herein are subject to approvals and discussions at the meetings of the Committee and the Board.

The Board has approved this policy in its meeting held on 24th May 2022.

2. Objective

This Policy is formulated with the following objectives:

- a. Identify the **“Key Focus Areas”** for CSR expenditure and recommend the same to the Board;
- b. Formulate the modality for meeting the target of CSR expenditure;
- c. Devise treatment of various line items under CSR expenditure and surplus;
- d. Formulate an annual action plan for undertaking the various CSR activities
- e. Implement a transparent monitoring mechanism for CSR activities of the Company.

3. Applicability

This policy is applicable to all CSR activities whether carried by it or through any implementation agency.

4. CSR Committee

The Company has formed a Corporate Social Responsibility Committee of the Board of Directors with the constitution role and responsibilities as laid out in its Charter.

5. CSR Activities/ Projects/ Programs

It is the responsibility of the Board of Directors and the CSR Committee to ensure that activities included by the Company as part of CSR Expenditure, are related to the areas or subjects specified in schedule VII of the Act.

Within the ambit of schedule VII of the Act, the Committee shall identify the **Key Focus Areas** for the purpose of CSR Expenditure.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

The composition of the CSR Committee, CSR Policy and Projects approved by the Board shall be displayed on the Company's website, for public access.

6. Modality of undertaking CSR Activities/ Projects/ Programs

Following is an indicative process of the modality of undertaking any CSR activity/ project/ program:

- a. Proposal – A potential partner/ implementing agency may send a proposal for a project to the Company.
- b. Analysis of proposal – the proposal once shared, is analysed by the Compliance Team and once shortlisted is thereon placed before the Committee for its approval.
- c. Evaluation and screening criteria for partners and implementing agencies – A proposed partner or implementing agency is screened on basis of an identified criteria considering factors such as credibility, track record, types of projects, areas of operation, industry bandwidth and goodwill, capacity and infrastructure, etc. The team should also ensure that the partner/ agency has obtained all necessary statutory approvals and licenses.
- d. Execution of grant letters – In case the proposal is approved, the grant letters are executed and issued which lays down the role, responsibilities, timelines and accountabilities of each signing party.

7. CSR Expenditure

The Committee shall be responsible to deliberate, approve and specify the following in respect of undertaking CSR Expenditure:

- a. Total amount to be calculated in accordance with the Act
- b. Percentage to go to earmarked projects
- c. Percentage to go to implementing organisations
- d. Percentage to go as collaborative projects with other companies/ partners
- e. Percentage to go as corpus to the Fund, if any
- f. Treatment of surplus generated out of the Fund, if any
 - i. Not part of the business profits
- g. Where the Company spends an amount in excess of requirement under the Act, such excess amount may be set off up to immediate succeeding three financial years subject to the conditions that:
 - a. The excess amount does not include the surplus arising out of the CSR activities, if any,
 - b. Board of the Company passes a resolution to that effect.
- h. Expenditure towards capacity building and training
 - i. Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads, shall not

exceed five percent of total CSR expenditure of the company in one financial year.

- i. Negative list
 - i. Activities undertaken in pursuance of its normal course of business
 - ii. CSR projects or programs or activities undertaken outside India with exceptions
 - iii. The CSR projects or programs or activities that benefit only the employees of the company and their families
 - iv. Contribution of any amount directly or indirectly to any political party under section 182 of the Act
 - v. activities carried out for fulfilment of any other statutory obligations under any law in force in India

8. Monitoring Mechanism

The Committee shall factor the following pertinent aspects while building the CSR monitoring mechanism:

- a. Annual Report from partners/ implementing organisations
- b. Project progress reports
- c. Event based reports
 - i. Material events/ auditors' remarks
 - ii. Any other information which may jeopardise or substantially affect the interest of all stakeholders
- d. Sample audits of projects
- e. The services/assistance from any external agencies or persons having experience in the area, with the approval of the Board, may be utilised for evaluation, reporting the effective implementation of the projects.

9. Reporting

On approval of the CSR policy or any amendments thereof, the contents of the policy shall be included in the Board's report and the same shall be displayed on the website of the Company.

At the end of every financial year, the Committee shall submit to the Board, an Annual Report on CSR in line with the provisions of the act and rules thereon, which upon Board's approval shall form part of the Board's report.

10. Review

This Policy shall be reviewed at such intervals as may be required by the Board, the Committee or based on any other requirement, not less than once in a year.