Kwantify

CORPORATE SOCIAL RESPONSIBILITY POLICY

"CSR Policy"

Under section 135 of the Companies Act, 2013

KWANTIFY SOLUTIONS PRIVATE LIMITED

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1. OBJECTIVE AND SCOPE

1.1. OBJECTIVE

Kwantify Solutions Private Limited (the "**Company**") is committed to the 'Good & Green' vision of creating a more inclusive and greener India. We never lose sight of our responsibility to the environment and society. Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

1.2. SCOPE & COVERAGE

The Company would have freedom and flexibility to choose from any of the activities specified in **Schedule VII of the Companies Act, 2013**, as amended from time to time. Thus, with any change in the statutory provisions governing the activities, the policy shall be deemed to include/ exclude such activities as permissible under law.

2. DEFINITIONS

In this Policy unless the context otherwise requires

2.1. **'Act'** means Companies Act, 2013

2.2. **'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;

2.3. '**Corporate Social Responsibility'** means Corporate Social Responsibility as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014

2.4. '**CSR Rules**' means Companies (Corporate Social Responsibility Policy) Rules, 2014

2.5. '**CSR Policy'** means a statement containing the approach and direction given by the board of a Company, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan

2.6. **'Net Profit'** means the net profit computed for a financial year 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 Section 135 of the Act

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2.7. "**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.

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 and rules made thereunder.

3. CORPORATE SOCIAL RESPONSIBILITY (CSR)

3.1. CONSTITUTION

Pursuant to the provisions of Section 135 of the Companies Act, 2013 (the "Act"), the Board of Directors shall constitute a Corporate Social Responsibility ("CSR") Committee. The members of the CSR Committee shall be appointed by the Board of Directors of the Company. **Since the provisions of Section 149(4) of the Act relating to the appointment of Independent Directors are not applicable to Kwantify, the CSR Committee shall comprise two Directors, in accordance with the applicable provisions of the Act and the rules made thereunder.** The CSR Committee shall meet at such intervals as may be necessary to discharge its functions and ensure compliance with the provisions of the Act and the rules made thereunder.

3.2. FUNCTIONS AND POWERS OF BOARD OF DIRECTORS

In accordance with Section 135(9) of the Act, where the amount required to be spent by the Company on CSR does not exceed Rs. 50 lakhs, the requirement to constitute a CSR Committee shall not apply, and the functions of such Committee shall be discharged by the Board of Directors of the Company.

To effectively implement the objectives of the Company with respect to CSR, the Board is vested with the following functions and powers:

a) Formulate CSR Policy

b) Recommend CSR activities to be undertaken by the Company as stated under Schedule VII of the Act

c) To recommend the amount of expenditure to be incurred on the activities referred above

d) To undertake CSR activities, if necessary, in collaboration with the group companies/other Companies/firms/NGOs/implementation agencies etc., and to separately report the same in line with the CSR Rules.

e) Recommend the CSR Budget and annual action plan

f) Ensure that the allocated CSR amount is spent on the CSR activities in accordance with the

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Act and the CSR Rules

g) Create transparent monitoring mechanism for implementation of CSR initiatives in India

h) Submit the Reports in respect of the CSR activities undertaken by the Company

i) Monitor CSR Policy, , from time to time

j) Monitor activities/charter of Internal Working to ensure that the CSR activities of the Company are implemented effectively

4. CSR IMPLEMENTATION

4.1. The Board will be responsible for overseeing the approval, execution, implementation and monitoring of the projects.

4.2. These programs will be executed by the Company and where appropriate, in partnership with other corporate bodies, local government, various NGO partners, service providers/implementation agencies and others.

4.3. In case, the Company undertakes to carry any of the projects through any implemented agency like trust, society or company not established by the Company or its holding or subsidiary or associate company,

The company can implement its CSR activity 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 80G 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.

e) such trust, society, or company / entity is registered with the Central Government by filing e-form CSR-1, providing details like nature of the entity, constitution of executive committee etc.

4.4. The Company may also engage international organizations for designing, monitoring and evaluation of the CSR projects or programs as per this CSR Policy as well as for the capacity building of their own personnel for CSR.

4.5. The Company may also collaborate with other companies to undertake projects or programs or CSR activities in such a manner such that the CSR team of the respective companies are in a position to report separately on such projects or programs in accordance with the CSR Rules.

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5. CSR BUDGET

The Board will approve yearly budget on the basis of the annual action plan and shall ensure that the Company spends in each financial year ("FY"), at least the amount specified under Section 135 of the Act and CSR rules made thereunder, from time to time.

6. CSR EXPENDITURE

The CSR amount may also be spent by the Company for creation or acquisition of a capital asset, which shall be held by:

a) Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or

b) Beneficiaries of the said CSR project, in the form of self - help groups, collectives, entities; or Public authority.

6.1. GUIDELINES WITH RESPECT TO EXPENDITURE ON CSR ACTIVITIES:

The Board shall ensure that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for the financial year.

In case the Company spends an amount in excess of two per cent of the average net profits of the Company made during the three immediately preceding financial years as per the requirement provided under sub-section (5) of Section 135 of the Act, such excess amount may be set off against the requirement to spend under sub- section (5) of Section 135 of the Act up to immediate succeeding three FYs 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,

b) The Board of the Company shall pass a resolution to that effect.

The surplus, if any, arising out of CSR initiatives of the Company shall not form part of its business profits and shall be:

a) ploughed back into the same project or

b) transferred to the unspent CSR Account and spent in pursuance of this CSR Policy and Annual Action Plan of the Company or to a Fund specified in Schedule VII, within six months from the end of the financial year.

6.2. THE FOLLOWING ACTIVITIES / CONTRIBUTIONS SHALL NOT CONSTITUTE CSR EXPENDITURE:

a) Activities undertaken in the normal course of business of the Company.

b) Any activity undertaken outside India except for training of Indian sports personnel representing any State or Union territory at the national level or India at international level.

c) Contribution of any amount directly or indirectly to any political party under Section 182 of

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the Act.

d) Activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019.

e) Activities supported by companies on a sponsorship basis for deriving marketing benefits for its products or services.

f) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

7. FAILURE TO SPEND THE CSR MONEY

If the Company fails to spend the required amount in a particular financial year, it is the duty of the CSR concerned team to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year.

The Company will report reasons for not spending the entire Budget outlay for CSR allocated in any FY. Further, it will not dilute the fund allocation requirement for such next FY.

Any amount remaining unspent under sub-section (5) of Section 135 of the Act, pursuant to any ongoing project, fulfilling such conditions as may be prescribed under law, undertaken by the Company in pursuance of this CSR Policy, shall be transferred by the Company within a period of thirty days from the end of the FY to a special account to be opened in that behalf for that FY in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent in pursuance of its obligation towards this CSR Policy within a period of three FYs from the date of such transfer, failing which, the amount shall be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third FY.

And if the unspent amount does not relate to any ongoing project, such amount is to be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the FY.

8. ANNUAL ACTION PLAN

The Board shall formulate, an Annual Action Plan in pursuance of this CSR Policy, which shall include the following:

8.1. The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

8.2. The manner of execution of such projects or programs

8.3. The modalities of utilization of funds and implementation schedules for the projects or programs;

8.4. Monitoring and reporting mechanism for the projects or programs;

8.5. Details of need and impact assessment, if any, for the projects undertaken by the Company.

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Provided that the Board may alter such Plan at any time during the financial year based on the reasonable justification to that effect.

9. DISCLOSURE

DISCLOSURE IN THE ANNUAL REPORT OF THE COMPANY

The details about the Policy developed and implemented by the Company on CSR, initiatives taken during the year and details of CSR spent during the FY shall be disclosed in the Annual Report of the Company, pursuant to the provisions of the Act.

This policy shall be subject to amendments under the Act or any other applicable law or regulation, and the Board is authorized to make the incidental changes to this Policy.

10. MANDATORY IMPACT ASSESSMENT

10.1. If the Company's average CSR obligation exceeds INR 10 Crore in the three immediately preceding FYs, the Company is required to undertake impact assessment through an independent agency for CSR projects of INR 1 crore or more and which have been completed not less than one year before undertaking the impact study.

10.2. The impact assessment reports are to be placed before the Board and annexed to the Annual CSR Report.

10.3. Expenditure on impact assessment may be accounted for towards CSR of that financial year, which shall not exceed five percent of the total CSR expenditure in the relevant financial year or INR 5 million, whichever is less.

11. MONITORING MECHANISM

The CSR Projects shall be monitored at various levels as follows:

11.1. **AT THE Board LEVEL:**

The Board will be monitoring the CSR Policy periodically and among other agenda shall consider the following:

a) Ensure that the Company undertakes to carry CSR projects by the Company or through implementing agency fulfilling the criteria as per Act and CSR Rules

b) Monitoring the utilization of funds towards approved CSR Activities;

c) Evaluate actual CSR performance and impact such activities are making on the people, society and environment;

d) Corrective measures to be taken to rectify deviations (if any) and

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e) Reporting requirements under the CSR provisions, if any.

f) Review that all CSR spends including their utilization and any amount remaining unspent, if any, are in accordance with the guidelines defined in the CSR Policy and the CSR Rules under the Act.

g) Compliance with disclosure requirements with respect to information to be disclosed on the website of the Company.

h) The Board shall monitor smooth implementation of ongoing projects within the approved timelines/ year-wise allocations and shall have the power to make modifications in the on-going projects to ensure implementation within the permissible time limit.

11.2. CERTIFICATION OF UTILIZATION OF CSR FUNDS

The Board shall satisfy itself that the funds of CSR have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

12. REVIEW OF POLICY:

The Board of Directors may revise/ amend this CSR Policy to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject. Notwithstanding anything contrary contained in this Policy, the provisions of the Act, 2013 shall always supersede this Policy.

13. INTERPRETATION:

In the event of any subsequent changes to the provisions of the aforementioned statutes or applicable laws, such provisions shall prevail over this Policy. The Policy shall be amended, as necessary, to ensure consistency with the prevailing laws.

Any subsequent amendment or modification to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable laws in this regard, shall automatically apply to this Policy.

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