

**POLICY ON CORPORATE SOCIAL RESPONSIBILITY ("CSR POLICY")**

**ZETWERK MANUFACTURING BUSINESSES PRIVATE LIMITED** (the 'Company') has always been an active player when it comes to supporting activities for the betterment of the society. The Company strives for an inclusive socio-economic development and environmental sustainability of the society and takes up projects to help the people in their socio-economic development.

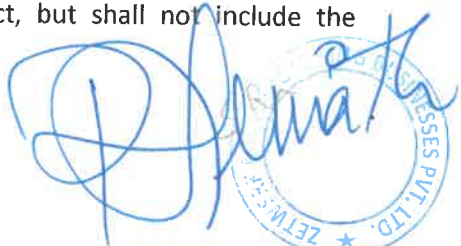

**1. Objectives of CSR Policy:**

The objectives of CSR Policy of the Company are as follows:

- a. To lay down the approach and direction of the Board in fulfilling the CSR obligations of the Company;
- b. To provide the guiding principles for selection, implementation and monitoring CSR activities and formulation of annual action plan;
- c. To provide a list of broad frameworks of projects/activities which the Company shall focus.

**2. Definitions:**

- (a) "Act" means the Companies Act, 2013.
- (b) "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
- (c) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in Companies (Corporate Social Responsibility Policy) Amendment Rules, 2020, but shall not include the following, namely;
  - (i) Activities undertaken in pursuance of normal course of business of the company;
  - (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;
- (d) "Net profit" means the net profit of a company as per its 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 section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.
- (e) **“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.

**3. CSR Activities:**

The Company would take up any projects which fall under any one or more of the following activities:

**a. Projects which broadly fall under any of the following activities:**

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation 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 centres 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;
- 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 art 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. Rural development projects;
- ix. Slum area development;
- x. Disaster management, including relief, rehabilitation and reconstruction activities.

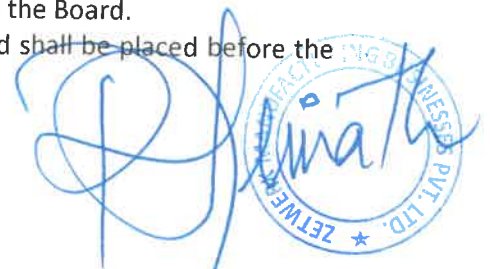

**b. Contribution to various activities as provided below:**

- i. Contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation;
- ii. Contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- iii. 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- iv. 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;
- v. 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 Defence 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).

However, the Company shall not take up any project/activity which falls under any of the activities as defined in Clause 2(c) (i) to 2 (c) (vi) as aforesaid.

**4. Guiding Principles:**

- a. The project/activity shall be selected from the list of projects/activities identified by the Board of Directors of the Company (hereinafter referred as "Board"). The Board shall shortlist the activities from the list of projects mentioned the clause 3 of this policy.
- b. While selecting the projects, the geographical area, the beneficiaries, the impact of the project on the beneficiaries and the sustainability of the project in the future years, shall be considered.
- c. At the time of selecting the projects, the Board shall also determine whether the said project is an on-going project or otherwise and is also free to make changes to such categorisation after proper justification at the Board meeting.
- d. The implementation of the projects can be directly by the Company or in association with the Company or through implementing agency.
- e. If the implementation is through the agency, a proper due diligence to be made by the Board and the details of due diligence shall be placed before the Board.
- f. The projects shall be monitored constantly by the Board and shall be placed before the Board at regular intervals.



- g. The Executive Director shall provide a certificate on the disbursement and utilisation of CSR funds to the approved activities, every year.
- h. Any capital asset built in the process of CSR activity will be registered in the name of the beneficiaries or public authority or implementing agency, as the case may be, and shall be decided by the Board.
- i. The action plan shall be formulated by Board and shall be placed before the Board for approval.

**5. Governance Structure:**

The structure of governing the CSR at the Company is as tabled as below and they shall be held responsible for all the decisions taken with regard to the Company's CSR obligations.

S.no	Name of the Director	Designation
01	Amrit Pratik Acharya	Director
02	Srinath Ramakkrushnan	Director

**Board:**

The responsibilities of the Board shall include the following –

- Drafting the terms of reference for the CSR Policy.
- Approving the budget for the CSR projects.
- Approve the CSR Policy and disclose the contents of its policy in the Company's website, if any.
- Disclose the composition of Board and contents of CSR Policy in its report and website if any along with the projects approved by the Board.
- Ensure that CSR activities as included in the CSR Policy are undertaken by the Company and spend at least 2% of the average net profits of the company made during the 3 immediately preceding financial years in pursuance of its policy.
- Provide reasons for not spending the amount in its report and transfer the unspent amount to such funds/ special account as may be specified by the Act.
- Ensuring and satisfy itself that the funds disbursed have been utilised for the purposes and in the manner as approved by it.
- Monitor implementation of the ongoing projects with reference to the approved timelines and year wise allocation.
- Make modifications in the approved timelines and allocation in the ongoing projects within the overall permissible time period.
- Formulation and approve the annual action plan and alter the plan at any time during the financial year, based on reasonable justification.
- Review of CSR policy and make changes if necessary, from time to time if deemed fit.
- Proper management of surplus arising out of the CSR Projects and ensuring that they do not form part of the business profit of the company.
- Monitoring the progress of the projects undertaken and ensuring effective execution and control.

**CSR Committee:**

The Constitution of CSR Committee shall arise if the amount to be spent by the Company as CSR expenditure exceeds fifty lakhs and the Board shall ensure to comply with this requirement as and when required in accordance with provisions of the Act.



The Board of the Company is authorized to discharge the functions of aforesaid committee if such committee has not been constituted.

**6. CSR Spent:**

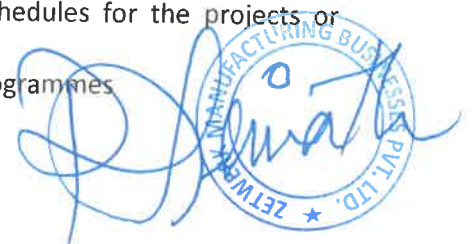

The Board shall ensure that:

- The amount of the expenditure to be incurred on the CSR activities to be undertaken by the Company, which shall not be less than 2% of the average net profits for the last 3 financial years of the Company;
- Any amount spent towards administration of the CSR projects (excluding designing, implementation monitoring and evaluation of each project) shall not exceed 5% of total CSR expenditure for the financial year or such amount as may be prescribed by law from time to time.
- If any surplus arises out of the CSR Projects, the same shall not form part of the business profit of the company and
  - a) shall be ploughed back into the same projects; or
  - b) shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company; or
  - c) transfer such surplus amount to a Fund specified in Schedule VII under Companies Act, 2013, within a period of six months of the expiry of the financial year.
- If the Company spends an amount in excess of CSR obligation (i.e atleast 2% of the average net profits for the last 3 financial years of the Company) such excess amount shall be set off against the requirement to future CSR obligations up to immediate succeeding three financial years subject to condition that
  - a) the excess amount available for set off shall not include the surplus arising out of the CSR activities; and
  - b) the Board of the company shall pass a resolution to that effect.
- If the company fails to spend its CSR obligation for the financial year, (i.e atleast 2% of the average net profits for the last 3 financial years of the Company) the Board shall transfer such unspent amount to a Fund specified in Schedule VII under Companies Act, 2013, within a period of six months of the expiry of the financial year and provide reason/justification in this regard under the Board's report.

**7. Annual action plan:**

The annual action plan shall include the following and shall be approved by the Board during the financial year:

- a. List of projects/programmes to be taken up during the year.
- b. Manner of execution of such projects or programmes
- c. Modalities of utilisation of funds and implementation schedules for the projects or programmes
- d. Monitoring and reporting mechanism for the projects or programmes

- e. details of need and impact assessment, if any, for the projects undertaken by the company

The Board may alter such plan at any time during the financial year, based on reasonable justification.

**8. Disclosure/Reports:**

The Company shall disclose the CSR policy and the projects approved, on the website of the company and any changes made to the policy are updated on the website as and when the changes are made and approved.

The Company shall submit an Annual Report on CSR Activities for the financial Year which shall form part of the Board report to be prepared for the year. The Annual report shall be in consonance with the format specified in the rules prescribed under the Companies Act, 2013.

  
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