



ADVAIT INFRATECH LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

[Revised policy adopted by Board on 14th November, 2022]

This Corporate Social Responsibility Policy (“the CSR Policy”) has been framed by Advait Infratech Limited (the company) in accordance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs.

1. COMPANY’S PHILOSOPHY FOR CSR POLICY:

Advait Infratech Limited, a socially committed and responsible corporate citizen, pledges that it would work towards upliftment of the rural, poor, marginalized, disadvantaged and deprived communities of India and ensured environmental sustainability. The CSR initiative of company would be aimed at the basic life necessities of the individual and collective life amenities of the community as well.

2. OBJECTIVE OF THE POLICY:

The Main objective of CSR policy is to make CSR a key business process for sustainable development of the society and economy in which we operate by conducting business which enables creation and distribution of wealth for the betterment of local population, its stakeholders and society at large, through implementation and integration of ethical systems and sustainable management practices.

3. SCOPE OF POLICY:

In furtherance of its CSR objects, the following are covered under this Policy:

- I. CSR activities implemented by the Company on its own.
- II. CSR activities implemented by the Company through its Trust/ Society/ Section 8 Company registered under section 12A and 80G of Income Tax Act, 1961.
- III. CSR projects implemented in collaboration with other companies including Group Companies.
- IV. CSR activities of the Company through Agencies.

4. DEFINITIONS:

- I. "Act" shall mean the Companies Act, 2013, including any modifications, amendments or re-enactment thereof.
- II. "Administrative overheads" means the expenses incurred by the Company for 'general management and administration' of CSR functions in the company but shall not include expenses directly incurred for designing, implementation, monitoring and evaluation of a particular CSR project or programme.
- III. "Agency" (or Agencies) means any section 8 company or a registered trust or registered society registered under section 12A and 80G of Income Tax Act, 1961, performing CSR activities and having an established track record of at least three years in undertaking CSR activities, including such entity established by the Central Government or the State Government or an entity established under an Act of the Parliament or the State legislature for the benefit of the society and excluding a registered Trust/ Society/ Section 8 company which is formed by the company either singly or along with all or any of its Group Companies.
- IV. "Annual Action Plan" shall mean the annual plan detailing the following:
 - 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;
 - c) The modalities of utilization 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 the Board may alter such plan at any time during the financial year, as per recommendation of CSR Committee, based on reasonable justification to that effect
- V. "Approved Budget" shall mean the total budget as approved by the Board of the company upon the recommendation of the CSR committee, which is to be utilized for CSR Projects.
- VI. "Board" shall mean the Board of Directors of the Company.
- VII. "Company" shall mean Advait Infratech Limited and wherever the context requires, shall signify the Company acting through its Board.

- VIII. "CSR Project" means the Corporate Social Responsibility projects/ activities/ programs/ initiatives, instituted in india, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of its statutory obligations laid down in Schedule VII and on recommendations of the CSR Committee as per the declared CSR policy of the Company but shall not include the following:
- a) Activities undertaken in pursuance of normal course of business of the Company;
 - b) 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;
 - c) Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - d) Activities benefiting employees of the company as defined in clause (k) of section 2 of the code on wages, 2019 (29 of 2019);
 - e) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - f) Activities carried out for fulfillment of any other statutory obligations under any law in force in India;
- IX. "CSR Committee "shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an Independent Director.
- X. "Financial year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- XI. "Group Companies" shall include:-
- a) a holding, subsidiary or an associate company of the company or
 - b) subsidiary of a holding company to which the company is also a subsidiary and shall include its subsidiary or an associate company.
- XII. "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 certain items specified in the Act, and shall be calculated in accordance with the provisions of Section 198 of the Act. "Rules" shall mean the Companies (Corporate Social Responsibility Policy)

- Rules, 2014, including any re-enactment, modifications or amendment thereof.
- XIII. "Ongoing Project" means a multi-year project undertaken by the 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 to that.
- XIV. "Section 8 Company" means a company formed with the Charitable Objects and registered under this Act or under the Companies Act, 1956 or under any previous laws prevailing at the time being in force, by the Company either singly or alongwith one or more of its Group Companies and registered under section 12A and 80G of the Income Tax Act, 1961.
- XV. "Society" means a society formed and registered under the Societies Registration Act, 1860 by the Company either singly or alongwith one or more of its Group Companies , and registered under section 12A and 80G of the Income Tax Act, 1961.
- XVI. "Trust" means a trust created and registered under the Indian Trust Act, 1882 or under any other related laws by the Company either singly or alongwith one or more of its Group Companies and registered under section 12A and 80G of the Income Tax Act, 1961.
- XVII. "International Organisation" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

5. CSR COMMITTEE

Advait Infratech Limited have a CSR Committee consisting of three or more directors, as may be decided by the Board from time to time, out of which at least one director shall be an independent director.

The committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the company pursuant to section 135 of the Companies act, 2013 and CSR Rules notified with regard thereto.

Interpretation

- Words and expressions used and not defined in the policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

6. AREAS OF CSR ACTIVITIES

The Company proposes to carry out the CSR activities in the following areas subject to the approval of the Board/CSR committee from time to time and subject to allocation of budget and programme/project to be approved by the Board/CSR Committee:

- 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 vocation skills especially among children, women, elderly, and the differently abled and livelihoods 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 natural 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. Measure 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, paralympics 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 Schedule Caste, the Scheduled Tribes, other backward classes, minorities and women;
- IX. (a) 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; 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.

XIII. Any other activities as may be permitted under Schedule VII to the Companies Act, 2013, for the time being in force.

The Guiding Principles for selection of CSR Project shall be as under:

- a) Requests received from Stakeholders of the Company during business operations
- b) Need assessment for a particular CSR Project as may be submitted by Business Unit while execution of the business project
- c) need assessment performed by the Company / relevant Stakeholder
- d) Community Engagement for the CSR Project
- e) Universe of NGOs working for particular CSR Project in relevant market / area and their expertise to manage the CSR Project
- f) Expected Impact Assessment of the CSR Project etc

7. CARRYING OUT OF CSR ACTIVITIES

The CSR activities shall be undertaken by the company either itself or through:

- a) A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 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;
- c) Any entity established under an Act of Parliament or a State legislature;
- d) A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation.– For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to

undertake activities covered in Schedule VII of the Act.

The company shall ensure that every entity through which the company proposes to carry out CSR activities is registered with the Ministry of Corporate Affairs and has a valid CSR registration number as stated in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

The Company may also engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. Such engagement shall have approval from CSR Committee of the Company.

The Company may also collaborate with other companies for undertaking projects or programs or CSR activities. However for such joint projects, it shall be ensured that respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

8. CSR FUND UTILIZATION AND MONITORING

The Chief Financial Officer of the company shall certify to the CSR Committee and Board on an annual basis that the funds disbursed by the Company for CSR activities have been utilized for the purposes and in the manner as approved by CSR committee/ Board of Directors. The CSR Committee shall monitor the implementation of CSR Projects. The company shall obtain project implementation report from respective implementing Partners/ Agencies/ NGOs upon completion of the project. The company shall also present CSR project monitoring report to CSR committee on quarterly basis.

9. IMPACT ASSESSMENT

- a) If the average CSR obligation of the Company crosses ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, then the Company shall undertake impact assessment, through an independent agency of their CSR projects having outlays of one crore rupees or more, and which have been completed more than one year before undertaking the impact study.
- b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- c) The Company for undertaking the impact assessment will book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two per cent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

10. ANNUAL ACTION PLAN

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

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Companies (Corporate Social Responsibilities Policy) Rules, 2014;
- the modalities of utilization of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- 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, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

11. CSR EXPENDITURE

- a) The administrative overheads on the CSR activities of the company shall not exceed five percent of total CSR expenditure of the company for the particular financial year.
- b) Any surplus arising out of the CSR activities shall not form part of the business profit of the company and shall be ploughed back into the same CSR project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company.
- c) If the company spends an amount in excess of 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 up to immediate succeeding three financial years subject to the conditions that-
 - the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of rule 7 of the Companies (Corporate Social Responsibilities Policy) Rules, 2014; or
 - The Board of Directors shall pass a resolution to that effect.
- d) in case the company creates or acquires a capital assets from CSR funds, it shall ensure that such capital assets 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 under sub-rule (2) of rule 4 of the Companies (Corporate Social Responsibilities Policy) Rules, 2014; or
 - beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - a public authority

12.ALLOCATION OF FUNDS

Advait Infratech Limited shall allocate funds to the tune of at least 2% of the average net profit of the company during the immediately preceding three financial years towards the CSR activities as mentioned above. The CSR Projects shall be carried out after approval of the Board and CSR Committee shall provide their recommendations to the Board on the proposed CSR Projects.

The company will spend the available funds into two types of project vis Ongoing Project and Non-ongoing Project.

In case the company fails to spend the statutory minimum limit of 2% of average net profits of the company of the immediately preceding three financial years, in any given financial year, the Board shall specify the reasons for the same in its report and unless the unspent amount relates to any Ongoing Project, transfer such unspent amount to a fund specified under Schedule VII of the Act, within a period of six months of the expiry of the financial year. Unspent CSR funds of ongoing projects will be transferred within a period of thirty days from the end of the Financial Year to a special account opened by the company in any scheduled bank titled “Unspent Corporate Social Responsibility Account”. Such amount shall be spent by the Company towards CSR projects within a period of three Financial Years from the date of such transfer and failing which, the balance unspent CSR Fund, if any, shall be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

13. REVIEW PERIODICALLY AND AMENDMENT

- a)** Annual Action Plan may be revised/modified/ amended by the Board based on the recommendation of the CSR committee at such intervals it may deem fit.
- b)** In case of any statutory modification or amendment or alteration in the provisions of the Act, the newly modified/amended/ altered provisions of the Act shall be deemed to be implemented in the policy immediately with effect from the date of the statutory notification for modification/ amendment/ alteration etc. the amended policy should be placed before the committee and board within reasonable time for approval/consideration.
