

Nova Techset Limited

Corporate Social Responsibility (CSR) Policy

**Formulated as per the provision of Section 135 of the Companies Act, 2013 and
Companies (Corporate Social Responsibility Policy) Rules, 2014**

ABSTRACT

The document outlines the Vision and Policy of Nova Techset Limited towards Corporate Social Responsibility, in accordance with Section 135 of the Companies Act, 2013 and the Rules made there under.

PHILOSOPHY

India's population growth rate is increasing day by day, putting pressure on the limited resources and leaving many Indians in absolute poverty this is further coupled with illiteracy which is yet another major hurdle in the economic development of the country. The Corporate Social Responsibility (CSR) was introduced in India to address these concerns. While there may be no single universally accepted definition of CSR, each definition that currently exists indicates the impact that businesses have on society at large and the societal expectations from them.

Nova Techset Limited has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities such that it positively affects society socially, ethically and also environmentally. Being a good corporate citizen is an integral part of Nova Techset Limited.

With the advent of the Companies Act, 2013 constitution of corporate social responsibility policy is required to be drafted by the Companies to streamline the Vision and Framework to carry out CSR related activities.. Therefore, Nova Techset Limited seeks to formulate a robust CSR policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare and sustainable development of society.

OBJECTIVE

With an endeavor to achieve our vision and fulfill our commitment to be a socially responsible corporate citizen, the CSR policy has been formulated with the following objectives:

To lay down guidelines to embed CSR as a business process for development of the society.

To undertake projects/programs which will enhance the quality of life and economic well-being of the communities in accordance with Schedule VII of the Companies Act, 2013 (“Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”).

APPLICABILITY

Nova Techset Limited’s CSR policy has been developed in consonance to Section 135 of the Companies Act, 2013 on CSR and in accordance with the CSR rules made thereunder.

The Policy shall apply to all CSR projects/programs undertaken by Nova Techset Limited in India as per Schedule VII of the Act and as amended from time to time.

CSR ACTIVITIES

The CSR activities undertaken by the Company shall include projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.

Contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity.

The Company plans to undertake the projects or programs related to the following activities which fall within the purview of the Schedule VII of the Companies Act, 2013:

- A. 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.

- B. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- C. 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.
- 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 works of art; setting up public libraries; promotion and development of traditional art 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 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;
- I. (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).

- J. Rural development projects
- K. Slum area development.
- L. Disaster management, including relief, rehabilitation and reconstruction activities
- M. Such other activities as may be prescribed from time to time.

NOVA TECHSET LIMITED'S CSR VISION AND FOCUS AREAS

A nation's children are its supremely important assets. Their nurture and solicitude is the nation's responsibility. Children's programs should find a prominent place in our national plans for the development of human resources so that children can grow up to become robust citizens, physically fit, mentally alert and morally healthy, endowed with the skills and motivations needed by the society.

*With the enlightened candle of literacy comes awareness and awareness brings progress, culture and civilization within the society which triggers' nation's development. **With this objective, the CSR vision of Nova Techset Limited is "enlightenment through education"-A candle that lights another loses nothing".***

While the company is eligible to undertake any suitable /rightful activity as specified in schedule VII of the Act, however at present, it proposes to undertake the relevant activities on priority basis in the following thrust areas.

- *Education and knowledge enhancement including but not limited to*
 - *Establishment and management of educational and knowledge enhancement infrastructure.*
 - *Providing financial and/or assistance to the needy and/or deserving students.*
 - *Providing financial assistance to any agency involved in education.*
 - *Facilitate enhancement of knowledge and innovation in the educational agencies.*

The CSR activities shall not include any activity undertaken by the Company in pursuance of the normal course of business of a Company.

IMPLEMENTATION

The Company may undertake CSR activities through a registered trust or a registered society or a or associate company or through such other trusts, NGOs, registered societies etc. which have an established track record of three years of undertaking such projects/programs.

Nova Techset Limited may collaborate with other companies for undertaking the CSR projects/programs subject to fulfillment of separate reporting requirements as prescribed in the Rules.

CSR BUDGET

The CSR Committee will abide by the provisions relating to annual expenditure on CSR activities as laid down in section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014 as amended from time to time.

The Company shall, in every financial year, contribute a statutory minimum limit of at least 2% of the Average of its Net Profits for the three preceding financial years for the CSR Expenditure.

The Company shall endeavor to spend the entire amount of statutory minimum contribution limit in a financial year. In the event the Company is unable to spend such amount in any given financial year; the Board shall specify the reasons for the same in its report to the shareholders in terms of Section 134(3) (o) of the Act.

The Company shall carry forward the unspent amount in the current financial year to next year's budget and shall spend the entire consolidated amount in that year.

The surplus, if any arising out of the CSR projects or programs or activities shall not form part of the business profit of Nova Techset Limited.

CSR COMMITTEE:

The provisions of section 135(9) of the Act, as introduced by the Companies Amendment Act 2000, where the amount to be spent by the Company under section 135(5) of the Act does not exceed INR 50.00 lakh in a financial year, such Company is not required to constitute a CSR Committee. In such cases, the functions of CSR Committee as provided under section 135 of the Act shall be discharged by the Board of Directors of such Company.

In view of the above amendment and since the estimated amount to be spent by the Company for the time being is not exceeding INR 50.00 lakh, the Company is not required to constitute a CSR Committee and accordingly the functions of CSR Committee shall be discharged by the Board of Directors of the Company.

RESPONSIBILITIES:

Section 135 of the Companies Act, 2013 states certain responsibilities which are to be performed by the Board of Directors of the Company and the CSR Committee. Since the company is not required to constitute a CSR committee, the responsibilities of it shall be performed by the Board of directors until and unless the committee is constituted whether voluntarily or mandatorily as required by the law.

a. Responsibility of the CSR Committee:

The CSR Committee has the following responsibilities:

- i. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken and the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- ii. The manner of execution of such projects or programs;
- iii. To recommend the amount of expenditure to be incurred on the activities.
- iv. Modalities of utilization of funds and implementation schedules for the projects or programs;
- v. To monitoring and reporting mechanism for the projects or programs;
- vi. To monitor the need and impact assessment, if any, for the projects undertaken by the company:
- vii. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

b. Responsibility of the Board of Directors of the Company:

The Board of Directors has the following responsibilities:

- i. The Board shall approve the Corporate Social Responsibility Policy for the Company and disclose composition of CSRC, content of such Policy in its report and also place it on the Company's Website, if any, in such manner as may be prescribed;
- ii. To ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company;
- iii. The Board of every company shall ensure that the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy and while doing so the Company shall give preference to the local

- areas around it where it operates.
- iv. The board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the financial year.
 - v. If the Company fails to spend at least 2 per cent of the average net profits of the Company made during the three immediately preceding financial years, the Board shall in its report specify the reasons for not spending the amount and comply all the requirements as prescribed under the provisions of Companies Act, 2013.
 - vi. If the company spends an amount in excess of the requirements provided under the act, Company may set off such excess amount against the requirement to spend for such number of succeeding financial years as prescribed under the Act;
 - vii. The Board of Directors shall ensure that activities included by the company in its CSR Policy are related to the activities included in Schedule VII of the Companies Act, 2013.

REVIEW PERIODICITY AND AMENDMENT

Nova Techset Limited's CSR plan may be revised/modified/amended by the CSR committee/Board at such intervals as it may deem fit.

The CSR committee/Board as the case may shall review the policy every year unless such revision is necessitated earlier.

All disclosures, display and reporting requirements related to CSR shall be made in accordance with the provisions of the Act and Rules made thereunder.