



TECHNOCRAFT VENTURES LIMITED

(Formerly known as M/s Technocraft Construction Private Limited)

ISO 4500:2018 | ISO 14001:2015 | ISO 9001:2015 Certified

CORPORATE SOCIAL RESPONSIBILITY POLICY

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1. CONTEXT

Technocraft Ventures Limited (“Company) believe we must contribute to the welfare of the Society and also contribute for protection of our planet. Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, every company having net worth of Rs. 500 crore or more or turnover of Rs. 1000 crore or more or net profit of Rs. 5 crore or more shall constitute a Corporate Social Responsibility Committee (‘CSR Committee’) and the CSR Committee shall formulate and recommend the Policy to the Board.

Pursuant to the provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended (‘**CSR Policy**’) and recommended the same to the Board of Directors of the Company (‘**Board**’) for its approval. The Board of Directors has accordingly approved and adopted the present CSR Policy.

1.1 Objectives of the Policy

The objectives of a Corporate Social Responsibility (CSR) policy for the Company aim to achieve following through our CSR initiatives:

- a. Ethical Supply Chain:** Ensuring responsible sourcing of raw materials, promoting fair labour practices, and maintaining ethical standards throughout the supply chain. This includes monitoring suppliers for compliance with labour laws, ensuring safe working conditions, and promoting sustainable practices.
- b. Environmental Sustainability:** Minimizing the environmental impact of operations by adopting sustainable practices. This can involve reducing greenhouse gas emissions, implementing waste reduction, and recycling programs, using eco-friendly materials, and promoting energy efficiency.
- c. Labour Rights and Worker Welfare:** Upholding and promoting the rights of workers involved in the factory and production. This includes providing fair wages, safe working conditions, and ensuring the absence of child labour or forced labour within the supply chain. It may also involve supporting workers' education and healthcare initiatives.
- d. Community Engagement:** Engaging with local communities and supporting their development. This can be achieved through initiatives such as investing in education, healthcare, infrastructure, and livelihood opportunities for underprivileged communities. Companies may also support local cultural events and activities.
- e. Product Safety and Quality:** Ensuring that the products manufactured and sold by the company meet the highest safety and quality standards. This involves conducting regular quality checks, complying with relevant regulations, and promoting transparency in product labelling.
- f. Stakeholder Engagement:** Engaging and collaborating with various stakeholders, including employees, customers, suppliers, shareholders, and local communities. This can involve regular communication, soliciting feedback, and involving stakeholders in decision-making processes.
- g. Diversity and Inclusion:** Promoting diversity, equity, and inclusion within the organization and the industry. This includes fostering a diverse workforce, ensuring equal opportunities for all, and promoting gender equality.
- h. Philanthropy and Social Investments:** Contributing to social causes and investing in community development projects beyond the regular business operations. This can involve donating a portion of profits to charitable organizations, supporting disaster relief efforts, or funding social initiatives that align with the company's values.

This Policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia, provide the following:

- ✓ Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- ✓ Ensuring the implementation of CSR initiatives in letter and spirit and through appropriate procedures and reporting.
- ✓ Creating opportunities for employees to participate in socially responsible initiatives.

1.2 Definitions

In this Policy, unless the context otherwise requires:

- (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 designing, implementations, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- (c) **"Corporate Social Responsibility"** means Corporate Social Responsibility ('CSR') as defined under the provisions of Section 135 of the Act and rules made thereunder;
- (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;
- (e) **"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;

Words and expressions used in this CSR Policy and not defined herein but defined in the Act and Rules shall have the meaning respectively assigned to them in the Act and Rules.

1.3 CSR Activities

The Policy recognizes one or more of the following focus areas as notified under Section 135 of the Act, Rules and Schedule VII of the Act:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 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 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 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. 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;
- 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.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company. CSR Activities can be done either directly and/ or through any implementing agency (registered with MCA to engage in CSR Activities).

1.4 Geographic reach

The Act provides that 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. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

1.5 Annual spends/Allocation of Funds

- i. The Company would spend not less than 2% of the average Net Profits of the Company made during such immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years; in pursuance of its Corporate Social Responsibility Policy. The surplus arising out of the CSR activity will not be part of business profits of the Company and shall be:
 - ✓ ploughed back into the same project, or
 - ✓ transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company, or
 - ✓ transferred to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year, or
 - ✓ treated in any other manner as may be notified by the Central Government.

2. CSR COMMITTEE

2.1 Guiding Principles for Constitution of CSR Committee

The CSR Committee shall consist of three or more directors, out of which at least one director shall be independent director.

The Committee will meet at frequent interval to discuss and review CSR activities and Policy.

A quorum of two members is required to be present for the proceedings to take place.

The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.

The Company Secretary shall act as Secretary to the Committee.

2.2 Committee Members

S. No.	Name	Chairman/ Member	Category
1	Shruti Gupta	Chairperson	Non-Executive- Independent Director
2	Sanjay Tyagi	Member	Executive Director
3	Kartikey Tyagi	Member	Executive Director

2.3 Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of the CSR Policy, which shall include following, namely:

- 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 as per rule 4 of the Rules;
- 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.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Regulations.

3. PROCEDURES

3.1 Funding

- i. As per the Act, the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years.
- ii. Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to any fund specified in schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.
- iii. Until a fund is specified in Schedule VII of the Act for the purposes of unspent amount as per sub-sections (5) and (6) of section 135 of the Act, such unspent CSR amount, if any, shall be transferred by the Company to any fund specified in schedule VII of the Act within six months of the end of the financial year.
- iv. In case of excess amount spent by the Company, such excess amount may be set off against the requirement to spend the amount in pursuance of CSR policy up to immediate 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; and

- ✓ the Board resolution shall be passed to that effect.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall additionally, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reasons for not spending the amount.

- v. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by:
 - a. 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
 - c. a public authority.
- vi. The approved projects shall contain the details of the proposed expenditure for respective Financial Year, towards CSR activities. The same shall be amended annually according to the Financial Year after the review by the Committee or at such time, as the Committee may deem fit.
- vii. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

3.2 Planning and Implementation

- a) The planning and implementation of the CSR projects / programmes shall be in accordance with the annual action plan as specified in this CSR Policy.
- b) Identification of projects and the executing agency/NGO will be made, inter-alia, by assessing the following:
 - a) Project Objectives
 - b) Baseline survey – As-is and To-be state basis, accordingly the outcome of the project will be measured.
 - c) Implementation schedules – Timelines for milestones of the project will need to be prescribed and agreed upon
 - d) Responsibilities and authorities
 - e) Major results expected and measurable outcome including the expenses/charges ratio as against the actual CSR spend.
- c) If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:
 - a) The Company would need to specify the projects / programmes to be undertaken by such an organization, for utilizing funds provided by it;

- b) The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only.
- d) The Company may also conduct/implement its CSR programmes through Trusts, Societies, Entities or Section 8 companies operating in India, which are not set up by the Company itself, herein collectively referred to as 'CSR Partner' or 'CSR Partner(s)'. Every such entity shall register itself with the Central Government by filing the form CSR-1 with the Registrar of Companies.
- e) The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
- f) The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

3.3 Review and Reporting

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors at such other intervals as deemed fit.

The Company will report, in the prescribed format as set out in the Rules, the details of CSR initiatives and activities of the Company in the Board's Report and on the website of the Company, as required under the Act read with Rules.

An impact assessment shall be undertaken by the Company, in case its average CSR obligation is Rs. 10 Crore or more in the three immediately preceding financial years, through an independent agency, of its CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment report shall be placed before the Board and shall be annexed to the annual report on CSR.

Further, the amount to be spent on the aforesaid assessment shall not exceed five percent (5%) of the total CSR expenditure for that financial year or Rs. 50 Lakhs, whichever is less.

4. MONITORING

- a. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
- b. Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
- c. The CSR Committee and persons / entities authorised by it, will conduct due diligence checks on the current projects/partners and report anomalies, if any, immediately.
- d. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation of amount and shall make modifications, if any within the overall permissible time period.

5. DISPLAY OF CSR ACTIVITIES ON THE WEBSITE

The Composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be disclosed on the website of the Company for public access.

6. AMENDMENTS TO THE POLICY

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as per the requirements as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

For Technocraft Ventures Ltd.


Director