



## **EXELA TECHNOLOGIES INDIA PRIVATE LIMITED – CORPORATE SOCIAL RESPONSIBILITY POLICY**

In accordance with the provisions of Section 135 of Companies Act, 2013, the Board of Directors of the Company had formulated the Corporate Social Responsibility (CSR) Policy (the "Policy") of Exela Technologies India Private Limited ("the Company").

### **1. OBJECTIVE**

The Company conducts its business in a sustainable and socially responsible manner. This principle has been an integral part of the Company's corporate values. The Company wishes to commit itself to contribute to the society in ways possible for the organization.

### **2. SCOPE**

This Policy shall apply to all CSR projects/programmes/activities mentioned in Schedule VII of the Act (Enclosed as Annexure "A" to this Policy).

### **3. DEFINITIONS**

a. In this policy unless the context otherwise requires:

- 1) "Act" means the Companies Act, 2013, as amended from time to time;
- 2) "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 these rules, but shall not include the following, namely:-
  - 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 benefitting 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 fulfilment of any other statutory obligations under any law in force in India;
- 3) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- 4) "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- 5) "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;

- 6) "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;
  - 7) "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;
- b. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or the Rules made thereunder, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

#### **4. COMPOSITION OF CSR COMMITTEE**

As per Section 135 of Companies Act, 2013 and the Rules pertaining thereto, a committee of the Board known as "Corporate Social Responsibility Committee" ("CSR committee") comprising the following members has been constituted:

Sr. No.	Name of Director	Position held in CSR Committee
1	Mr. Balbir Singh Batra	Chairman
2	Mr. Sanjay Pawar	Member

#### **5. ROLE OF THE CSR COMMITTEE**

- a. Formulate and recommend to the Board, a Corporate Social Responsibility policy in compliance with Section 135 of the Companies Act, 2013.
- b. Identify the activities to be undertaken in areas or subject specified in Schedule VII of the Companies Act, 2013.
- c. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- d. Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- e. Monitor the implementation of the CSR Policy from time to time.
- f. Evaluation of need and impact assessment, if any, for the projects undertaken by the Company.
- g. Such other functions as the Board may deem fit.

#### **6. ROLE OF THE BOARD**

- a. After taking into account the recommendations made by the CSR Committee, approve the Corporate Social Responsibility Policy for the Company and to approve the CSR activities to be undertaken by the Company.
- b. Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- c. The Board of the Company shall ensure that the CSR activities are undertaken by the company itself or through –

- 1) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
  - 2) 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
  - 3) any entity established under an Act of Parliament or a State legislature; or
  - 4) 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.
  - 5) Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs.
- d. Ensure that in each financial year the Company spends at least 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates.

#### **7. PRINCIPLES FOR SELECTION OF ACTIVITIES**

CSR activities permitted in Schedule VII of the Companies Act, 2013 as may be amended from time to time, should only be undertaken in close coordination with CSR Committee and Board of Directors of the Company. 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 activities.

#### **8. PRINCIPLES FOR IMPLEMENTATION OF ACTIVITIES**

Every year, the CSR Committee shall formulate and recommend to the Board, an annual action plan for execution of CSR activities of the Company which shall include the 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;
- (c) the modalities of utilisation 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 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.

#### **9. CSR MONITORING AND REPORTING FRAMEWORK**

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place. The CSR



Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities. The Board of the company shall satisfy itself that the funds so disbursed have been utilized

for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

#### **10. CSR EXPENDITURE**

- a) The Board shall, on yearly basis, on the recommendations provided by the CSR Committee, provide allocation of funds to be utilized for CSR activities. If for any reason, the funds allocated by the Board remains unutilized it would not lapse and will be treated in the following manner:
  - 1) Any amount remaining unspent, pursuant to any ongoing project, undertaken by the 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 a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
  - 2) In case of projects other than ongoing projects, the Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the 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 project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- c) Where the company spends an amount in excess of requirement provided under sub-section (5) of section 135, 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 –
  - 1) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any,
  - 2) The Board of the company shall pass a resolution to that effect.
- d) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

#### **11. MISCELLEANOUS**

The CSR Policy referred to above is to be read in conjunction with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 as amended from time to time.

Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued from the Government from time to time or as decided by the Board of Directors of the Company. The above Policy Guidelines are subject to review at suitable intervals and subject to revision accordingly.

**Annexure A**

(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 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 [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 recognised 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 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).



(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.