POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

INTRODUCTION

CSR in India has traditionally been seen as a philanthropic activity. While the corporate houses have been traditionally engaged in doing CSR activities voluntarily, the new CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The new Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR to the fore front and through its "Comply-or- Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lay down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

CSR AT TAK

Tak Technologies Private Limited (hereinafter referred to as "the Company"), recognizes the impact it has on communities in which it operates and believes that it has a tremendous opportunity to change the lives of these communities and aims to be a trusted partner contributing to the social, economic and environmental progress of India. As part of its dedicated approach to create economic opportunity in the communities in which it operates, the Company has been contributing its time, expertise and resources to help communities and undertaking a series of initiatives that are locally relevant.

At Tak, we believe that a healthy business grows around the healthy community. We further belief that an organized society is an indispensable foundation for the successful business. The objective is to actively contribute to the social and economic development of the communities in which we operate.

We strongly believe that making corporate contributions is the best way to show the community that we care about them, their families and their future.

The vision of this policy is to contribute to the social and economic development of the communities in which we operate.

OBJECTIVES OF CSR POLICY

a. To lay down guidelines for the Company to make CSR spend for the sustainable development of the society.

b. To directly or indirectly take up programs that benefit the communities and results, over a period of time, in enhancing the quality of life & economic well - being of the local populace.

c. To lay down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large under umbrella of Corporate Social Responsibility keeping in view the legal environment in which the Company operates.

d. Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

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e. To sustain and continuously improve standards of Environment, Health and Safety through the collective endeavour of our Company and its employees at all levels.

f. Protection and safeguard of environment and maintaining ecological balances.

CSR BUDGET

The budget for CSR projects shall be recommended by the CSR Committee of the Board and approved by the Board of the company as per the requirements laid out in the Section 135 of the Companies Act 2013. The total budget proposed for the CSR projects covered under this policy shall be 2% of the average net profits of the company made during the three immediately preceding financial years; where the 'net profit' is calculated as mentioned in Section 135 of the Companies Act 2013 for CSR Spend. The Committee is entitled to recommend a higher amount than that specified in the Companies Act 2013 based on financial and other considerations.

SCOPE/AREA OF ACTIVITY

The Scope of the CSR policy shall be within the ambit/areas prescribed by the Ministry of Corporate Affairs, Government of India (MCA) or any other empowered Ministry/Authority, as the case may be, from time to time.

The Company shall endeavor to conduct CSR activities in India only and preference shall be given to the local area and areas around it where the Company operates.

In terms of the CSR rules issued by the MCA the Company will be focusing on undertaking the project /programs /activities listed below, as specified in Schedule VII to the Companies Act 2013 excluding activities undertaken in pursuance of normal course of business of a Company:

- **Education-** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects;

- **Health-** Promotion of health care including preventive health care through awareness programmes, provision of aid and appliances to the differently able persons, making available safe drinking water, medical aid as a disaster relief measure, Food supply as a disaster relief measure, supplementing Govt schemes like mid-day meal through additional nutrition.

- **Empowering Women-** 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.

- **Environmental Initiatives-** Ensuring environmental sustainability, ecological balance, and protection of flora and fauna, animal, welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.

- **Other Activities-**

  a) 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.

  b) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

c) Measures for the benefit of armed forces veterans, war widows and their dependents.

d) Rural development projects.

The company may undertake any other activity in terms of provisions of the companies act.

EFFECTIVE DATE

This policy is applicable from the date of its approval by the Board of Directors of the Company

COMPOSITION

The constitution /re-constitution of the CSR Committee shall be done by the Board of Directors of the Company from time to time as per the applicable requirements of the Companies Act, 2013, read with rules made thereunder.

In the initial phase, the constitution shall be as below:

➢ Total Two Directors,

1. Mr. Pankaj Kumar Tyagi
2. Mr. Ananj Kumar Tyagi

RESPONSIBILITIES OF CSR COMMITTEE

- Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- Recommend CSR activities as stated under Schedule VII of the Act.
- Approve to undertake CSR activities in collaboration with other Companies/ firms/ NGOs etc. and to separately report the same in accordance with the CSR Rules.
- Recommend the CSR Budget.
- Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
- Create transparent monitoring mechanism for implementation of CSR activities in India.
- Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
- Monitor CSR Policy from time to time.
- Authorize executives of the Company to attend the CSR Committee Meetings

CSR EXPENDITURE

a. The CSR expenditure may be incurred through any of the following modes:
   - on its own or
   - through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under Section 8 of the Companies Act 2013 or otherwise subject to the rules as provided in the Companies (Corporate Social Responsibility Policy) Rules, 2014 or any other rules /regulations as may be applicable from time to time,
   - the Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee of respective

companies are in position to report separately on such projects or Programme in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014.

b. Company will endeavor to build CSR capacities of its own personnel as well as those of its Implementing agencies through Institutions with established track record of at least three financial years but such expenditure shall not exceed the maximum limit fixed in this regard by the MCA from time to time.

c. The CSR Committee shall specify the projects or activities or program to be undertaken as part of CSR activities and decide about the modalities for utilization of funds on such projects or program and the monitoring process and reporting mechanism.

PROJECT IDENTIFICATION

The projects will be prioritized and suggested based on suitable qualifiers by the Committee and presented to the CSR Committee for approval. The projects must be aligned Preferably to one of the thrust areas of CSR. Additionally, for those projects classified as CSR, the projects must conform to the requirements of the Section 135 of the Companies Act 2013. The projects that are located in proximity to the areas where the company operates and where there is a greater scope for employee volunteering would be accorded preference for approval. However, the company may undertake the project across various geographies based on the need of the communities.

COMPLIANCE AND MONITORING PROCESS:-

a. The CSR committee would meet at least twice in a financial year to recommend and approve the activities and projects to be undertaken by the company to the Board of the company.
b. CSR Committee shall review the progress and impact of various implemented CSR programs, to determine any further action plans that need to be undertaken.
c. Appropriate documentation of the CSR Policy, Annual CSR Activities report, Budget & Expenditure incurred on CSR activities will be prepared, reviewed and approved on a regular basis as required by the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended/replaced from time to time, and should be reviewed by CSR Committee.
d. Any Surplus arising out of CSR projects or Programme or activities shall not form part of the business profits of the company.
e. For CSR spend the preference to be given to the local area and areas around which the company operate for CSR spending.

REPORTING

The CSR committee will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013.

AMENDMENTS TO THE POLICY

This policy will be reviewed annually by the CSR Committee to check the effectiveness and impact of the policy. The CSR Committee has the right to amend or modify this policy in whole or in part, at any time, as deemed necessary. Any amendments or modifications will be suitably notified to all stakeholders.

PARTNER QUALIFICATIONS

Where CSR programs are awarded to implementation agencies, the company will ensure that they are a Registered Trust, Society or a Section 8 Company. The company will conduct due diligence on potential partner agencies to ensure that they have clearly explained mission and vision, do not have a conflict of interest in working with the company , have appropriate documentation such as audit reports, annual reports and registration forms as per 80G/12A. The company will also consider reputation risks in selecting a partner agency.

DISQUALIFYING ACTIVITIES FOR CSR

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company for benefit to the employees of the Company and their families. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed towards any political party under Section182 of the Act shall not be considered as CSR Spend. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

ENQUIRIES AND SUGGESTIONS

For dealing with enquiries/ suggestions received from public/government authorities related to Tak CSR initiatives, Mr. Ananj Kumar Tyagi, the Director of the Company shall be the nodal officer on behalf of the Company.

On behalf of Board of
Tak Technologies Private Limited

Ananj Kumar Tyagi
Managing Director
DIN: 05114410

Pankaj Kumar Tyagi
Director
DIN: 05122880