



Corporate Social Responsibility Policy

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Introduction

Videonetics Technology Private Limited believes in acting ethically and contributing to the economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

The company subscribes to the philosophy of compassionate care and committed to act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. Further the Company strives towards becoming a socially responsible corporate entity with a thrust on Community development, and education through sustained business conduct. This is the cornerstone of CSR policy of the Company.

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Objective

The policy document is an attempt to articulate the company's Social Responsibility. The framework enables to put in place policies and practices in line with this policy. The social policy document is an attempt to showcase the linkage of our social objectives with business strategy.

Definitions

Unless otherwise required by the context:

1. "ACT" means the Companies Act, 2013
2. "Corporate Social Responsibility (CSR)" means and includes but is not limited to:
 - i. Projects or programs relating to activities specified in Schedule VII to the Act; or
 - ii. Projects or programs relating to activities undertaken by the Board of Directors of a Company (Board) in pursuance of recommendation of the CSR Committee of the Board as per Declaration of CSR Policy of the company subject to the condition that such policy of the company subjects enumerated in Schedule VII of the Act
3. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
4. "CSR Policy" relates to the activities undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in Pursuance of normal course of Business of a Company
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 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.
6. "Other entities" means a registered trust or a registered society or a Company (established under section 8 of the Act by the Company either singly or along with its holding or subsidiary or associate Company or along with any other company or holding or subsidiary or associate of such other Company, or otherwise).
 - iii. Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Act:
 - iv. Provided Further that in case of a foreign company covered under these rules, 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.

Provided that:

- i. Such trust, society or Company is (not established by the Company either singly or along with its holding or subsidiary or associate company, or along with any other Company or holding company or subsidiary or associate company of such other company) shall have an established track record of three years in undertaking similar programs or projects.
- ii. The Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

Constitution of CSR Committee

CSR Committee shall be constituted with Minimum Number of two Directors and following shall be their responsibilities in brief:

1. Formulate CSR policy and recommend to board indicating the activities to be undertaken as specified in Schedule VII.
2. Recommend the amount of expenditure to be incurred.
3. Identify the projects & review the programme from time to time.
4. Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
5. Monitor CSR Policy from time to time.

Members

Management of the Committee will be vested in the Members of the Committee of not less than 2 Members who are also the Directors of the Company.

The Committee Members may nominate, and Board of Directors shall have power at any time and from time to time to appoint a member.

The Committee Members may also induct advisors or its representatives to monitor the schemes in which the Company is participating.

Qualification to Members

A Member shall not be required to hold any special qualification.

However, the member is required to have basic instinct to pursue social causes.

Proceedings of the Committee

1. Meeting of Committee

The Members shall meet together for dispatch of CSR activities from time to time as the need be required.

2. Notice of the Meeting

Notice of every meeting of the Committee shall be given in writing to every Member for the time being in India and at his usual address in India to every other Member. The Notice may be sent through electronic medium to the Members.



3. **Quorum**

The Quorum of the Meeting of the Committee shall be one-third of its total strength or two Members, whichever is higher.

4. **Adjournment of Meeting for want of Quorum**

If a Meeting could not be held for want of quorum then the Meeting shall automatically get adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date of originally fixed Meeting.

homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- 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;
- 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 arts and handcrafts;
- Measures for the benefit of armed forces veterans, war widows and their training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central government;

Focus Area

In accordance with the requirement under the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, CSR Committee will presently be in the following areas or any other areas (as specified in Schedule VII) the committee may consider based on periodic review and future developments.

- 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 for the promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age

- Rural development projects;
- Slum area development;
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Explanation – For the purpose 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.
- Such other activities as may be notified by Ministry of Corporate Affairs from time to time.

Enforcing CSR Activities

The CSR activity will be undertaken by the CSR committee either directly or through tying up with such other entity/organization as approved by the CSR Committee falling within the purview of Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Going Beyond Policy Imperatives

Although our main thrust lies in providing support to the above-mentioned areas, the Company is not bound to restrict itself to it. The Committee is empowered to develop and integrate business models with social and environmental priorities and processes in order to create shared value.

The CSR Committee shall not contribute in the following manner under the CSR Policy:

1. The projects or programs or activities that benefit only the employees of the Company and their families.
2. One off-event such as marathons /awards/ charitable contribution/advertisement/ sponsorships of TV programmes etc.
3. Expenses incurred by Companies for the fulfillment of any other Act/Statute of regulations (labour laws, Land Acquisition Act, 2013, Apprentice Act 1961 etc.)
4. Contribution of any amount directly or indirectly to any political party.
5. Activities undertaken by the Company in pursuance of its normal course of business.
6. The project or programmes or activities undertaken outside India.

Approval of Projects

Prior to the commencement of projects, there shall be a baseline study of the core focus areas and subsequent development of a project for satisfying the core focus areas. All the projects shall be assessed under the agreed strategy, shall be monitored every quarter, and measured against targets and budgets.



Budget Computation and Allocation

The Budget shall be arrived at on computation of:

- a. Two percent of the average net profits calculated in accordance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- b. Any income arising there from; and
- c. Surplus arising out of CSR activities.

Thereafter, a specific budget shall be allocated to a specific project activity. The CSR Committee constituted shall monitor the project expenditure and the surplus arising out of the CSR activity will not be part of business profits of the Company.

Amendment of Policy

No amendment, change or modification to this Policy shall be effective or enforceable unless it is approved by the Committee members and further approved by the Board of Directors of the Company. The amended Policy has to be made available in the Company website. Except, amendments with regard to Focus Areas, amendments shall be effective or enforceable on Committee's approval subject to Schedule VII activities of the Companies Act, 2013.

Reporting

Information on the spending by the Company shall be disseminated on periodic basis in its Annual Report.

Expenditure on CSR activities that qualify to be recognized as an expense should be presented as a separate line item as the CSR expenditure in the Statement of profit and loss. Further the relevant note relating to the CSR expenditure should disclose the break-up of various heads of expenses included in the line item 'CSR expenditure'.

If there is any contractual liability incurred for which a provision has been created in the balance sheet for the amount spent on the CSR activity. Such provision should be presented as per Schedule III to the Companies Act, 2013. Movements in the provision during the year should be shown separately.

Disclosure has to be made in the Cash flow statement (where applicable).

Corporate Social Responsibility policy of the Company conforms to the Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as notified by the Ministry of Corporate Affairs, Government of India.

