



CENTILLION SOLUTIONS AND SERVICES PRIVATE LIMITED
Corporate Social Responsibility Policy

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1. BACKGROUND AND VALUES

Centillion Solutions and Services Private Limited (“The Company”) believes in adding value to the lives of people and the community in the vicinity of the Company’s business operations/office location(s). While we strive to deliver excellence in our business, we wholeheartedly believe that business enterprises are part of societal change. As we believe in the protection of basic human rights, we operate responsibly in the places where we do business and endeavour to be a catalyst for change.

Corporate Social Responsibility (“CSR”) is a concept that suggests that it is the responsibility of the corporations operating within society to contribute towards economic, social and environmental development that creates positive impact on society at large.

The Company is a firm believer in giving back to the community and making a positive impact in the communities. The aim is to create positive change to live a better life full of possibilities, while preserving the environment. In an effort to promote sustainable social development and better quality of life, the Company proposes to reach out to underprivileged, carrying out various social responsibility activities for local communities.

2. DEFINITION CLAUSE

In this Policy, unless the context otherwise requires or if something is not defined, the following words, term, expressions and derivations therefrom shall have the meanings assigned to them in the Companies Act, 2013:

- a) **“Act”** means the Companies Act, 2013 and includes Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable rules, orders, notifications, circulars, clarifications issued by the Ministry of Corporate Affairs in connection with corporate social responsibility and any statutory modifications, re-enactment thereof.
- b) **“Administrative overheads”** means the expenses incurred by the Company for ‘general management and administration’ of the CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.
- c) **“Board”** means the Board of Directors of the Company.
- d) **“CSR”** or **“Corporate Social Responsibility”** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the Rules, but shall not include the following, namely: -
 - (i) activities undertaken in pursuance of normal course of business of the Company;
 - (ii) 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.
 - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act.
 - (iv) activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).

- (v) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.
activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- e) **“CSR Committee”** means the Corporate Social Responsibility Committee constituted under section 135(1) of the Act.
- f) **“CSR Policy”** means this policy, drafted as per the requirements of Section 135 of the Act.
- g) **“Implementing Agency”** refers to any of the following entities having such qualifications as may be prescribed in this regard and assisting the Company, in undertaking its CSR activities:
- a) 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
 - b) 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
 - c) any entity established under an Act of Parliament or a State legislature; or
 - d) 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.
- h) **“The Policy” or “this Policy” or “CSR Policy”** means this Policy and is a statement containing the approach and direction given by the Board of the Company, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
- i) **“Net profit”** means the net profit of the Company as per its financial statements 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.
- j) **“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, 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.
- k) **“Rules”** refers to the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any statutory amendments thereof.
- l) **“Schedule VII”** refers to Schedule VII of the Companies Act, 2013.

3. PURPOSE OF THE CSR POLICY

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth, the purpose of the CSR Policy articulates below our social and environmental responsibility both in thought and in action. This CSR Policy will serve as a guiding document in identifying, executing and monitoring the CSR activities aiming to create a positive impact to the society.

The CSR Policy is drafted in keeping with the spirit of the Act and to scale up our Social Responsibility initiatives aimed at improving overall welfare of the community.

4. CSR FOCUS AREAS

The Company will be undertaking activities that are permitted under Schedule VII of the Act. The Company could focus on any of the following areas for its CSR initiatives:

- a) 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.
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and 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 centres 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) 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.
- j) 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).
- k) Rural development projects.
- l) 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.

- m) Disaster management, including relief, rehabilitation and reconstruction activities.

None of the activities that form part of the Company's CSR initiative will be activities that the Company carries out in the ordinary course of its business.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR.

The Company may also contribute to any Fund specified in Schedule VII of the Act.

5. CONSTITUTION AND RECONSTITUTION OF THE CSR COMMITTEE

- 5.1 The Board of the Company will constitute the CSR Committee once the CSR statutory obligation (i.e. two (2) percent of its average net profits of the last three financial years) exceeds INR 50 Lakhs or such other threshold that may be prescribed under the Act or the rules made thereunder.
- 5.2 The Board of the Company has powers to nominate/ change/induct members of the Board in the CSR Committee subject to the applicable regulatory requirements.
- 5.3 The Board may nominate the Chairperson of the CSR Committee at the time of constitution or reconstitution of the CSR Committee. Alternatively, the CSR Committee members may elect the Chairperson from amongst themselves at each meeting of the CSR Committee.
- 5.4 The responsibilities of the CSR Committee including the frequency of holding the CSR Committee meetings and the quorum requirements as required under the Act will be charted by the Board of the Company while constituting the CSR Committee.

5.5 Until the CSR Committee is constituted under the Act, the Board shall discharge all responsibilities and functions of such CSR Committee as provided under the Act read with the Rules.

6. ROLES AND RESPONSIBILITIES OF THE BOARD

6.1 Ensure that the Company spends at least two (2) percent of the average net profits of the preceding three (3) financial years as its CSR obligation for the financial year or such other threshold that may be prescribed under the Act or the rules made thereunder.

6.2 Approve the annual action plan in pursuance of this Policy which should include a list of approved CSR projects, manner of project execution and related implementation schedules, modalities of fund utilization, monitoring and reporting mechanisms and details of need / impact assessments, if applicable.

6.3 Approve projects / Implementing Agencies to be partnered or associated with.

6.4 Ensure that the funds disbursed for the CSR Projects as part of the Company's obligation for each financial year have been utilized for the purpose and in the manner allocated and approved by it, within the same financial year.

6.5 Monitor the implementation and review the progress of the CSR project with reference to the approved timelines and year-wise allocation.

6.6 Suggest modifications, if required, for smooth implementation of the CSR project within the overall permissible time period under the Act.

6.7 Ensure that the administrative overheads shall not exceed five (5) percent of total CSR expenditure of the Company for the financial year or such other limit as may be prescribed under the Act.

6.8 Approve the CSR Policy and amendments thereto from time to time.

7. CSR BUDGETS

7.1 The Board shall approve the annual budget for all CSR projects/activities.

7.2 During each financial year, the Company will spend at least two (2) percent of the average net profits of the preceding three (3) financial years as its CSR obligation for the financial year.

7.3 The Board, in consultation with the finance department of the Company, shall contribute the agreed amount towards CSR activities as per the approved annual action plan.

7.4 CSR related disbursements by the Company will be treated as spent during the financial year, only if the same have, in turn, been spent by the Implementing Agencies or step-down implementation partner, if any.

7.5 Where the Company spends an amount in excess of its CSR obligation under the Act, subject to passing of the Board resolution, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding 3 (three) financial years.

8. PROJECT SELECTION & APPROVAL

8.1 The Board will identify indicative projects/activities in line with the focus areas of the Company amongst areas/activities covered under Schedule VII of the Act.

Guiding principles for identification of programs/ activities are as follows:

1. The Board will evaluate proposals received from the Implementing Agencies based on the Company's focus areas.
2. The Board will prioritize the projects by assessing the impact the project is going to generate.
3. The Board will deliberate and approve the proposals and same will be implemented as per the approved annual action plan.

9. FORMULATION OF THE ANNUAL ACTION PLAN:

The Board will formulate and approve the annual action plan pursuant to the Act and the CSR Policy, in each financial year.

The Board shall adhere to the following guidelines while formulating/ approving the annual action plan for each financial year:

- i. Evaluate CSR activities of the preceding financial year, if any: The achievements and drawbacks of the CSR projects/ activities undertaken in the previous financial year shall be considered and the annual action plan shall be prepared accordingly.
- ii. Identify projects/activities for the current financial year: The Board of Directors will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the Company.
- iii. Formulate and approval of the annual action plan based on the management accounts before the end of the first quarter in every financial year. Any delay in preparation and approval of the action plan can be ratified by the Board of Directors.
- iv. Action plan to include a description of the identified activities and the sequence in which they will be undertaken by taking into consideration the following:
 - organizational readiness and strategies,
 - financial and procurement management,
 - disbursement and utilization plans for the unspent amounts from previous years during the current financial year; and
 - disbursement and utilization plan for funds for the relevant (concerned) financial year.

The ongoing projects will have an overall timelines and specific activities and timelines for the particular financial year. Any deviation in the schedule will be intimated in advance by the Implementation Agency to the Board of Directors.

- v. Any amendment to the annual action plan shall be approved by the Board of Directors.

10. IMPLEMENTATION

- 10.1 CSR projects will be implemented through Implementing Agencies satisfying the conditions prescribed under the Act, as amended from time to time, which inter alia currently includes that the Implementing Agencies should be registered under sections 12A and 80 G of the Income Tax Act, 1961 (subject to any amendments to these sections from time to time) and with the Ministry of Corporate Affairs, by filing eForm CSR 1, as required and have a 3 (three) year track record in undertaking similar activities. The qualifying conditions also need to be satisfied by any step-down Implementing Agencies that are engaged by the Company's primary Implementing Agency;
- 10.2 The Company may also establish an Implementing Agency in the form of a registered public trust or registered society or Section 8 company, and undertake CSR activities through such agency, subject to the agency obtaining the necessary registrations.
- 10.3 In all cases where Implementing Agencies are engaged, the Company will execute formal documentation with such agencies and ensure coverage of key terms that will enable the Company remain in compliance with its obligations under the Act;
- 10.4 The Company may, however, also undertake CSR projects/ activities directly or directly contribute to any of the Funds prescribed in Schedule VII of the Act, to fulfil its annual obligation.

11. TIMELINE AND DISBURSEMENT

- 11.1 Memorandum of Understanding ("MoU") may be executed with the Implementing Agencies covering the details of the proposed CSR activities along with the disbursement cycles and completion timelines and such other required clauses as determined by the Board.
- 11.2 All projects will be executed based on schedule agreed with the respective Implementing Agency.
- 11.3 The disbursement plan will be agreed with the identified Implementing Agencies to execute the CSR project / program.
- 11.4 The disbursement can be one-time, or phase manner as mutually agreed under the terms and conditions agreed with the respective Implementing Agency. Appropriate receipts/ agreements/ documentation shall be maintained in this regard.

12. MONITORING AND REPORTING

- 12.1 Routine reviews will be undertaken by the Board with the Implementing Agencies based on the quantum of contribution made to the Implementing agencies.
- 12.2 The Board to monitor the progress or developments of the program/ project w.r.t to timelines, completion, deviation, if any and map the outcome with the action plan agreed with the identified Implementing Agencies.

- 12.3 The Board to obtain a Utilization Report from all the Implementing Agencies at the end of each project and an Audit Report at the end of each financial year.
- 12.4 The Chief Financial Officer (CFO) of the Company, if any or the person responsible for financial management or such other person notification under the Act, will be required to certify that the funds allocated towards the CSR obligation of the Company have been utilized in the areas or projects as approved by the Board of Directors of the Company.
- 12.5 In case the projects are implemented through the Implementing Agencies, the certification of CFO or the person responsible for financial management can be based on the utilization report as received from the Implementing Agencies.
- 12.6 The Board will be the ultimate responsible body for ensuring successful and time bound implementation of the CSR projects.
- 12.7 The Board, may appoint such professionals, firms, agencies, etc., as it may deem fit, for effective monitoring/ evaluation/ implementation/ designing of the programs and projects of the Company, including appointing an agency that would carry out an impact assessment study of the projects, if so required, under the Act or deemed necessary by the Board of Directors.
- 12.8 The Board to disclose the details of the CSR Policy, CSR projects undertaken during the financial year including outlay, expenditure and such other details as prescribed under the Act read with the Rules, as an Annexure to their Annual Board's Report.

13. TREATMENT OF UNSPENT CSR

- 13.1 The unspent CSR amount pertaining to an annual CSR project shall be transferred to any fund included in Schedule VII of the Act such as Prime Minister's National Relief Fund, Swachh Bharat Kosh or any other fund specified by Central Government in this regard under the Act, within 6 (six) months from the end of the concerned financial year.
- 13.2 If the unspent CSR amount pertains to an Ongoing CSR Project, the amount has to be transferred to a separate bank account to be called as "Unspent CSR Account" within 30 (thirty) days of the end of the concerned financial year and is to be spent on CSR obligations as per this CSR Policy within a period of 3 (three) financial years.
- 13.3 In case the Company is unable to spend the CSR obligation on the Ongoing CSR project within the prescribed period of 3 (three) financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act within 30 (thirty) days of the end of the concerned 3rd financial year.
- 13.4 Wherever funds disbursed by the Company remain unspent at the financial year end and are lying with the Implementing Agency, the Company may either request the Implementing Agency to return the same directly to its Unspent CSR Account / other bank account OR treat the same as an advance to be utilized by the Implementing Agency, to meet the spend for the next financial year. In the latter case, the Company will separately meet its obligation to transfer the unspent funds either into an Unspent CSR Account or to a prescribed Fund.

The above treatment of unspent CSR amount pertaining to an annual CSR project and/or Ongoing CSR Project shall be in accordance with the provisions prescribed under the Act read with the Rules as amended from time to time.

14. TREATMENT OF SURPLUSES

Surpluses arising out of the CSR activities shall not form part of the business profit of The Company. They will be used in the further development of the CSR initiatives and will not be added to the normal business profits of the Company.

15. GENERAL

In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference has to be made to the Board. In all such matters, the interpretation and decision of the Board shall be final and binding.

In any circumstance, where the terms of this CSR Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this CSR Policy until such time the Policy is changed to conform to the law, rule, regulation or standard.

16. AMENDMENTS TO THE POLICY

This Policy shall be reviewed by the Board if there is change in the Act or when it thinks appropriate in line with the Company's vision and mission statement.

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board of Directors may think fit. Any such revision/modification or amendment will be in conformity with the Act.

In any circumstance, where the terms of this CSR Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this CSR Policy until such time the Policy is changed to conform to the law, rule, regulation or standard.

17. EFFECTIVE DATE

This CSR Policy is effective from 11 February 2021