



MICROTEK INTERNATIONAL PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. INTRODUCTION:

As a good corporate citizen, Microtek International Private Limited ("the Company") understands the significance of inclusive growth and wellbeing of all the stakeholders, including the society at large and nature around it. The Company advocates that as we all derive economic benefits from the society at large and nature around us, it is quite pertinent, fair and rational to pay back as much as we can to the society and the nature. The Company, being a corporate citizen, is not immune to it. Your Company has been taking various initiatives under Corporate Social Responsibility (CSR) for society at large, well before it was statutorily mandated. The Board of Directors (the "Board") of Microtek International Private Limited has adopted this revised policy and procedures with regard to Corporate Social Responsibility consequent upon latest changes in regulatory requirements related to CSR. This policy is subject to review and revision by the Board of Directors, from time to time, subject to the recommendations of Corporate Social Responsibility Committee of the Board.

2. OBJECTIVE:

This Policy outlines the broad approach and direction of the Board of Directors towards Corporate Social Responsibility and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

3. TOTAL OUTLAY

The Company pledges to contribute at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years specifically towards CSR initiatives. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 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 30 days from the date of completion of the third financial year.

4. SELECTION, IMPLEMENTATION AND MONITORING OF CSR ACTIVITIES:

Selection:

- (a) Subject to the approval of the CSR projects by, and other statutory obligations of, the Board of Directors, the CSR committee of the Board constituted under Section 135 of the Companies Act, 2013 ("CSR Committee") shall be responsible for the selection, implementation and monitoring of CSR activities of the Company.
- (b) The selection of various activities for CSR purpose, shall be strictly as per the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Schedule VII thereof, rules made thereunder and .
- (c) The Company may, for its CSR purpose, undertake any activity covered under Schedule VII of the Act as may be amended from time to time, or undertake any activity as may be specifically allowed by the government through notification or otherwise.
- (d) While selecting various activities, preference shall be given to the local area and areas around the locations/plants/offices from where the Company operates; however, in appropriate cases, other areas may be considered for undertaking CSR activities.
- (e) CSR activities shall be selected so as to reach maximum number of beneficiaries, preferably to the under-privileged sections of the society which promote improving standard of life or which promote protection, preservation and sustenance of environment and other common assets of the society.
- (f) CSR activities shall be chosen in a way, the implementation and impact of which could be assessed in measurable terms.

Implementation:

- (g) The CSR activities shall be implemented on a program or project basis.
- (h) For convenience of proper implementation and monitoring, the programs or projects shall preferably be for a short duration, not exceeding 1 (One) year. However, in appropriate cases, for programs or projects which are to be implemented on a sustainable basis, may be undertaken for a period longer than 1 year. However, in such a case, on the recommendation of the CSR Committee, the Board of Directors shall approve such program/project as an Ongoing Project as defined under Rule 2(i) of the Companies (CSR Policy) Rules, 2014 as amended from time to time, and all regulatory requirements pertaining thereto shall be complied with.
- (i) Various projects/programs as approved by the Board of Directors preferably be implemented by the Company itself. However, in appropriate cases programs/projects may be implemented through one or more implementing agencies as referred to in Rule 4

of the Companies (Corporate Social Responsibility) Rules, 2014. Further, the Company may, subject to compliance of statutory requirements, collaborate with other entities to jointly undertake any CSR program/project.

Monitoring:

- (j) The CSR Committee shall be primarily responsible for the monitoring the implementation of various program/projects. The CSR Committee may assign one or more officials of the Company for day to day monitoring of various activities and expenses of CSR programs/projects.
- (k) The CSR Committee shall ensure that the CSR funds disbursed are appropriately spent to achieve the broad objective of the programs/projects and further to ensure that the programs/projects do not normally overshoot the budgeted spending or the timeline.

5. CSR COMMITTEE

- (a) Subject to statutory requirements, the Board of Directors shall be empowered to constitute, reconstitute or dissolve the CSR Committee of the Board. The CSR Committee shall be constituted and chaired, and shall function as per the provisions of Section 135 of the Act and rules made thereunder and in terms of this Policy.
- (b) The CSR Committee shall advise and recommend from time to time various activities which may be undertaken as CSR projects/programs, to the Board for its approval. It shall also suggest/recommend to the Board the areas, tenure, quantum of funding, implementing agency of any CSR program/project; and formulate and recommend an annual action plan in pursuance of this Policy in terms of Rule 5(2) of Companies (CSR Policy) Rules, 2014, as amended.
- (c) It shall also suggest/recommend revision, if any, needed in the CSR Policy of the Company or any other aspects of CSR.
- (d) The CSR Committee shall meet as many times as it consider necessary; however, it shall meet at least twice in every financial year.

6. ROLE OF BOARD OF DIRECTORS:

The Board shall comply with the specific requirements of CSR provisions in terms of Section 135, read with Schedule VII of the Companies Act, 2013 and rules made thereunder, as may be in force from time to time and shall approve the CSR Policy after considering recommendations of CSR Committee. The Board's role shall, inter alia, include:

- (a) formulating, and revising from time to time as may be necessary, the CSR Policy of the Company.
- (b) satisfying itself that the funds disbursed for CSR programs/projects have been utilised for the purposes and in the manner as approved by it.
- (c) in case of ongoing project, monitoring the implementation of the project with reference to the approved timelines and year-wise allocation and to make modifications, if necessary, in such timelines and allocation, for smooth implementation of the project within the overall permissible time period.

- (d) to ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
to ensure disclosure of the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on the website of the Company for public access.

7. EFFECTIVE DATE

This policy is effective from 1st April, 2021.

