

**Corporate Social Responsibility Policy**  
**of**  
**Aquity Solutions India Private Limited**  
**(“Aquity India” or “the Company”)**

**1) INTRODUCTION AND GOAL**

- 1.1 Aquity India defines Corporate Social Responsibility (“CSR”) as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in its policies and actions. Hence, Aquity India’s CSR commitment positions its social and environmental consciousness as an integral part of its business plan and its commitment to all its stakeholders.
- 1.2 Aquity India’s CSR Policy has been formulated as per the Notifications dated 27<sup>th</sup> February, 2014 issued by Ministry of Corporate Affairs regarding Companies (Corporate Social Responsibility Policy) Rules, 2014; Schedule VII and Section 135 of Companies Act, 2013 relating to Corporate Social Responsibility which is made effective from 01<sup>st</sup> April, 2014 and shall be updated in accordance with any future amendments notified by Ministry of Corporate Affairs.
- 1.3 The overall goal of the CSR activities would be to promote sustainable and inclusive development as a responsible corporate entity in India.
- 1.4 The purpose of this Policy is to define the goals and scope of CSR activities and how Aquity India proposes to work towards achieving it. The CSR policy governs the approach of Aquity India towards these activities.

**2) POLICY STATEMENT**

- 2.1 Aquity India’s CSR Policy aims to achieve, consolidate and strengthen Good Corporate Governance including socially and environmentally responsible business practices that balance financial profit with social well being.

**3) SCOPE AND APPROACH**

- 3.1 Aquity India is committed to the well being of the local communities and the society at large.
- 3.2 The geographic scope of Aquity India’s CSR work would include:
  - (a) the immediate surroundings of the registered office and/or branch offices of Aquity India;
  - (b) the district, town or city as a whole where the registered office and/or branch offices of Aquity India are located;
  - (c) the country as whole as part of Aquity India’s contribution to national efforts towards dealing with emergency situations and achieving higher national goals.
- 3.3 The focus of Aquity India’s CSR work includes, but shall not be limited to:
  - (a) 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 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 the 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)
  - 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 Defense 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).
- (j) rural development projects
- (k) 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.
- (l) disaster management, including relief, rehabilitation and reconstruction activities.

#### 3.4 AQuity India chooses to not consider the following activities in its CSR work:

- (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) and their families;
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

- 3.5 The approach of Aquity India would be oriented to identify and formulate projects in response to felt societal needs in diverse areas falling in the geographic scope mentioned in para 3.2 and to implement them with full involvement and commitment in a time bound manner.
- 3.6 This section enlists a set of sample activities amongst which anyone can be undertaken by the Company towards the achievement of the CSR goal and objectives. These are by no means an exhaustive list and will be reviewed and modified from time to time as may be required.

#### **4) INSTITUTIONAL SET UP**

The Company shall always follow the directives laid down by the MCA and accordingly enumerates the following roles and responsibilities for effective functioning of its CSR.

##### **4.1 Board of Directors**

The responsibilities of the Board of Directors shall include the following:

- i. Approve the CSR Policy as formulated by the CSR Committee;
- ii. Disclose contents of CSR Policy in its report and also place it on the Company's website;
- iii. Ensure that the activities included in the CSR Policy are undertaken by the Company;
- iv. Ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years;
- v. Ensure that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for any financial year.
- vi. Satisfy itself regarding the utilization of the disbursed CSR funds; and
- vii. If the Company fails to spend at least 2% of the average net profits of the Company, the Board shall, specify the reasons for not spending the amount and transfer the unspent CSR amount as per the provisions of Section 135 of Companies Act, 2013.

##### **4.2 CSR Committee**

The CSR Committee of Aquity India will be responsible to review and approve the projects/programmes under the CSR Policy of the Company. The CSR functions of the Company will also be co-ordinated and monitored by the CSR Committee.

###### **1. Members of the CSR Committee:**

This shall comprise of three or more Directors (as per the provisions of Section 135 of Companies Act, 2013) and the Committee will report to the Board of Directors of the Company.

###### **2. Responsibilities of the CSR Committee:**

- a. To formulate and recommend the CSR Policy to the Board of Directors;
- b. To recommend the annual CSR budget;
- c. To monitor the CSR Policy of the Company from time to time and ensure that the activities included in the CSR Policy are undertaken by the Company;
- d. To formulate and recommend to the Board of Directors an Annual Action Plan developed for the current year in pursuance of its CSR Policy, which shall include the following:
  - a) the list of CSR Projects or programmes
  - b) the manner for utilisation of funds and implementation of the projects;

- c) establish monitoring and reporting mechanism for the projects or programmes sanctioned in the Annual Action Plan;
- d) review details of need and impact assessment, if any, for the projects undertaken;
- e) review the implementation of the CSR projects/ programs and give suitable directions on a periodic basis for successful implementation of the approved projects; and
- f) recommend annual projects to be converted to multiyear projects "Ongoing projects" in case of reasonable justification on the delay.

### **3. Monitoring Mechanism of the CSR Committee:**

The CSR Committee of AQuity India will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects, programs and/or activities undertaken by the Company as its CSR initiatives. The CSR Committee would be responsible for:

- i. monitoring the approved projects and/or programmes covered under the Annual Action Plan and Ongoing Projects to ensure that the funds are utilized for the approved purpose to the satisfaction of the Board of Directors of AQuity India in the manner approved by it.
- ii. reviewing on a periodic basis through physical or virtual visits, review meetings with implementation partners, progress and status reports submitted by the implementation partners and/or the CSR Team.

#### **4.3 CSR Team**

##### **1. Members of the CSR Team**

Resources to be identified by the Company from time to time.

##### **2. Responsibilities of the CSR Team**

The CSR Team will be responsible for planning and implementation of the projects and shall ensure that projects are completed as per the laid timelines. Their responsibilities would include:

- i. evaluate the potential projects as per the CSR Policy;
- ii. identify CSR implementation partners as per Ministry of Corporate Affairs (MCA) guidelines and with requisite registrations as per MCA;
- iii. implement projects based on set targets and action plans;
- iv. regularly monitor the CSR activities;
- v. to prepare periodic reports for the CSR Committee;
- vi. to evaluate possible collaborations with other organizations on CSR projects;
- vii. prepare an annual operating plan in line with CSR budget;
- viii. to recommend ongoing projects which were initially not approved as multiyear projects;
- ix. to prepare and recommend the Annual Operating Plan for the current year as well as for Ongoing projects (if any) in line with CSR budget; and

The Chief Financial Officer of the Company and/or the person responsible for financial management of the Company will review the CSR expenditure and certify that funds disbursed have been utilized for the purposes and in the manner agreed upon by the CSR Committee.

## **5) ALLOCATION OF FUNDS**

5.1 The following criteria shall be followed in the allocation of funds:

- (a) The CSR Budget, in every financial year, shall be two per cent of average net profits of Aquity India made during the three immediately preceding financial years, as per the Notifications dated 27<sup>th</sup> February, 2014 issued by Ministry of Corporate Affairs regarding Companies (Corporate Social Responsibility Policy) Rules, 2014; Schedule VII and Section 135 of Companies Act, 2013 on CSR, as amended from time to time.
- (b) On the recommendation of CSR Committee the CSR Budget shall be approved by Aquity India's Board of Directors.
- (c) The surplus arising out of CSR projects or programs or activities shall not form part of the business profit of the Company.

5.2 Fund disbursement to the implementing organisation would be released after the requisite documentation between Aquity India and the implementing agency with the recommendation of the CSR Committee.

## **6) TREATMENT OF SURPLUS, EXCESS AND UNSPENT FUNDS**

The Company shall treat the surplus, excess and unspent CSR Funds in the following manner:

### **(A) Surplus Amount**

Surplus refers to income generated from the funds spent on CSR activities e.g. interest income earned on funds provided for CSR, revenue received from the CSR projects, disposal/sale of materials used in CSR projects, and other similar income sources. Any surplus arising out of the CSR activities shall be dealt with in the following manner:

- a. Surplus would be ploughed back either into the same CSR project and/or programme or;
- b. Surplus to be transferred to the Unspent CSR Account and spent in pursuance of the CSR Policy and the Annual Action Plan of the Company; or
- c. Surplus to be transferred to a Fund specified under Schedule VII of the Act within a period of 6 (six) months of the expiry of the financial year.

### **(B) Excess Amount**

Aquity India may choose to utilize any excess amount spent on its CSR initiatives by setting off the amount against the requirement to spend under Section 135 of the Companies Act, 2013, up to immediate succeeding 3 financial years, subject to the conditions that -

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- (ii) the Board of the Company shall pass a resolution to that effect.

### **(C) Unspent Amount**

In case any CSR funds remain unspent, the Board of Directors of Aquity India in its report made under Section 134 of the Companies Act, 2013, shall specify the reasons for not spending the said amount. However, if such unspent CSR funds do not relate to any Ongoing Projects, such unspent funds shall be transferred to any fund specified under Schedule VII of the Act, within a period of Six (6) months of the expiry of the financial year.

In case any CSR funds remain unspent pursuant to an Ongoing Project, Aquity India shall

transfer such unspent CSR funds in any scheduled bank in account named as “Unspent Corporate Social Responsibility Account within 30 (thirty) days from the end of the Financial Year. Such unspent CSR funds shall then be spent in accordance with the terms of the CSR Policy within a period of three (3) Financial Years from the date of such transfer, failing which, AQuity India shall transfer the same to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of thirty (30) days from the date of completion of the third financial year.

## **7) CREATION OR ACQUISITION OF CAPITAL ASSET**

The CSR funds may be spent by the Company for creation or acquisition of a Capital Asset, which shall however, be held by either:

- a. A company established under section 8 of the Companies Act, 2013 or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
- b. The beneficiaries of the said CSR Project, in the form of self-help groups, collectives, entities; or
- c. a public authority.

## **8) ADMINISTRATIVE OVERHEADS**

Administrative Overheads means the expenses incurred by the Company for general management and administration of Corporate Social Responsibility functions in the Company such as employee cost, utility, office supply, legal expenses etc.

As per the provisions of CSR Rules the Board of Directors shall ensure that the administrative overheads shall not exceed 5% of the total CSR expenditure for the financial year.

## **9) ONGOING PROJECTS**

Ongoing Project shall mean 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 of the Company based on reasonable justification.

## **10) IMPLEMENTATION OF CSR ACTIVITIES**

Aquity India may either directly implement its CSR projects and programmes, and/or collaborate with eligible organizations/institutions meeting the required criteria as set out by Ministry of Corporate Affairs in the Companies (Corporate Social Responsibility Policy) Rules, 2014; and/or Section 135 of the Companies Act, 2013 from time to time, and accordingly implement its projects as follows:

### **i) Direct execution of CSR Projects**

CSR Projects undertaken, executed and implemented by the Company itself under its direct CSR projects may include engagement and involvement of all stakeholders including employees, across Indian geography. For the purpose of implementation and monitoring, AQuity India may engage a third party organization/consultant etc. however, the onus and responsibility on implementing and monitoring such projects would rest with the Company itself. The Company may also collaborate with other companies for undertaking projects or programmes 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 programmes in accordance with these rules.

## ii) CSR Projects through Implementing Agencies

CSR Project through Implementing Agencies involves partnering/collaborating with Non-Government Organization (NGO) or Not for Profit Organization (NPO) to implement CSR Projects where the CSR projects are either fully or partially funded by Aquity India's CSR budget and the project implementation is carried out by the Implementing Agency.

The Company would ensure that the CSR activities are either undertaken by itself or through any of the following entities registered with the Central Government by filing of Form CSR-1 electronically with the respective, Registrar of Companies and having a registration under Foreign Contribution Regulation Act, 2010:

- (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.

Aquity India may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.

The Company shall undertake the impact assessment of CSR projects with outlays of minimum Rs.1 crore, if required under the provisions of the Companies Act 2013, through an independent agency for its CSR projects implemented if CSR projects have an average outlay of Rs.10 crores or more in the three immediately preceding financial years, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.

The CSR Committee may also choose to undertake impact assessment for various projects voluntarily to determine the efficacy of its social interventions.

## 11) PROJECT IDENTIFICATION AND EVALUATION

To identify projects under CSR the Company will adopt the following process:

- i. the Company shall reach out to its employees at regular interval to suggest CSR initiatives for potential engagement;
- ii. the Company shall call for proposals through its social media handles as and when required;
- iii. the CSR Policy of the Company will be made available on the website for potential beneficiaries and implementation partners to engage with the Company by identifying its key focus areas;
- iv. potential beneficiaries /organisation may share proposals with the Company on its email ID "***csr-team-india@aquitysolutions.com***";
- v. the Company's CSR Team will internally evaluate proposals received and after a detailed due diligence will shortlist potential projects for further recommendation to the CSR Committee for their review and approval;



- vi. the approved projects will be updated on the Company's website on an annual basis and in the annual report on CSR

## **12) REVIEW AND REPORTING**

- 12.1 The CSR Committee of the Company will meet on a need basis, to review the progress of proposed activities as per agreed targets and timelines.
- 12.2 An Annual Report of the activities undertaken under the CSR initiatives would be prepared as prescribed by law and suitably integrated into AQuity India's Board Report.

## **13) DISPLAY**

- 13.1 This CSR Policy would be displayed on AQuity India's website.
- 13.2 The significant contents of this Policy as notified by law would be disclosed in AQuity India's Board Report.
- 13.3 The Board's Report pertaining to any Financial Year shall contain details of the CSR initiatives taken during such Financial Year in the form and manner prescribed under Section 135 read with Schedule VII of the Act read along with the CSR Rules, 2014 as amended from time to time and in line with the Government of India's notifications issued from time to time.
- 13.4 The Annual Action Plan for CSR activities, details on executing partners and all other information as required to be complied in the Annual Report as prescribed by Section 135 for information of all stakeholders shall be made available on the Company's website.

## **14) GENERAL**

- 14.1 The Company reserves the right to modify, cancel, add, or amend any of the above contents of the Policy with the approval of the Board of Directors of AQuity India.
- 14.2 Any or all provisions of the CSR Policy shall be subject to revision/amendment in accordance with the Companies Act, 2013 and/or any notifications on the subject as may be issued by the Ministry of Corporate Affairs, from time to time.
- 14.3 In case of doubt with regard to any of the provisions of this Policy and also in respect of matters not covered herein, the interpretation and decision of the Board of Directors of AQuity India shall be final.
- 14.4 Words and expressions used but not defined in this Policy shall have the same meaning signed to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This CSR Policy shall also be subject to such clarifications and FAQs as may be issued by Ministry of Corporate Affairs from time to time.
- 14.5 In case of any subsequent changes in the provisions of the Act which makes any of the provisions in this Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act.

## **15) CONFIDENTIALITY**

This is a confidential document and as such it is not to be copied, duplicated, distributed, and posted on any electronic bulletin board to any third party outside the Company and/or its holding, subsidiaries and associate companies.