

SIGNIFY INNOVATIONS INDIA LIMITED

Corporate Social Responsibility Policy

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CORPORATE SOCIAL RESPONSIBILITY POLICY

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1. BACKGROUND

Corporate Social Responsibility is strongly connected with the principles of sustainability. An organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Corporates must recognize that their business activities have wide impact on the society in which they operate.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of Signify Innovations India Limited , for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

2. OBJECTIVE & SCOPE

The main objective of CSR Policy is to lay down guidelines for Signify to make CSR a key business process for sustainable development of the Society. It aims at supplementing the role of the Government in enhancing the welfare measures of the communities and enterprises linked directly or indirectly to the business activities of the Company.

The CSR Policy shall apply to all CSR projects undertaken by the Company in India as per Schedule VII the Companies Act, 2013 and rules and regulations made thereunder. Furthermore, the CSR Policy shall be applicable to the Company, its employees, and the implementing agencies involved in any CSR activity/project undertaken by the Company or through an implementing agency.

3. DEFINITIONS

“**Act**” means Companies Act, 2013.

“**Annual Action Plan**” means CSR activities’ plan of the Company, formulated and approved as per the provisions of the Act & the Rules and the CSR Policy of the Company.

“**Company**” means the Signify Innovations India Limited or “Signify”.

“**Chairperson**” means Chairperson of the CSR committee.

“**CSR Committee or Committee**” means Corporate Social Responsibility Committee of Board of Directors of the Company constituted under Section 135 of the Act.

“**CSR activities**” means the Corporate Social Responsibility initiatives/projects/programs/ activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act and rules made thereunder, , but shall not include the following, namely:-

- i. activities undertaken in pursuance of normal course of business of the company:

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Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that

- a. such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act
 - b. details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- 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 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.

“Board” means Board of Directors of the Company.

“Employee” means employee of the Company whether employed in India or outside India.

“Net Profits” or “Average Net Profits” means as defined under the Act.

“Ongoing Project” means 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 based on reasonable justification.

“Policy” means Corporate Social Responsibility Policy including its Charter, enclosed herewith as an Annexure-I, as formulated by the CSR Committee and approved by the Board of Directors under the provisions of the Act and the rules made thereunder.

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“**Rules**” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Companies (Corporate Social Responsibility) Amendment Rules, 2021 (including any modification/amendment made therein or any notification/clarification issued by the Ministry of Corporate Affairs in regard to said Rules, from time to time)

Words and expressions used and not defined in this Policy but defined in the Act and rules and regulations made there under shall have the meanings respectively assigned to them in the Act and rules.

4. TARGETED SECTORS

The Company has identified the following thrust areas around which the Company shall be primarily focusing its CSR initiatives and channelizing the resources on a sustained basis:

- **Promote rural development projects** - Increase the reach of Lighting in rural areas through use of renewable and sustainable energy sources across India; (*Clause x of the Schedule VII*)
- **Skill development for employability** – Creating opportunities for skilling youth to enhance their employability and future job prospects across India; (*Clause ii of the Schedule VII*)
- **Promote education** - With a focus on upgrading infrastructure of schools in rural areas across India; (*Clause ii of the Schedule VII*)
- **Promote rural sports** – With a focus on upgrading infrastructure of playgrounds, sports facilities in rural areas across India. (*Clause vii of the Schedule VII*)
- **Promoting Health Care & Hygiene** – With a focus on promoting health care including preventive health care and sanitation (*clause i of the Schedule VII*)

All CSR Initiatives/projects/programs/activities are and will continue to fall under the purview of schedule VII of the Act. The CSR Committee may include any other areas falling within the Schedule VII of the Act (and amendments thereto) from time to time.

The Above list is illustrative not exhaustive. The above list of activities need not be given the actual meaning while making contribution instead these should be interpreted liberally in conjunction with the intent and objective of the activities in order to capture the essence of these activities.

The Board on the basis of recommendations received from CSR Committee shall approve the Annual Action Plan of the Company consisting of one or more of the abovementioned activities which are being undertaken or shall be undertaken as project, programmes for contribution towards Corporate Social Responsibility.

Note:-

- The CSR activities may be undertaken by the Company on project based, whether short and/or long term;
- Time-framed periodic milestones should be finalized at the outset for each CSR project/programme;
- CSR activities shall not include those projects or programs or activities undertaken in pursuance of the normal course of business of the Company.
- Preference would be given to the local areas and areas around which the Company operates for spending the amount earmarked for CSR activities;
- Surplus, if any, arising out of the CSR activities undertaken shall not form part of the business profits of the Company and they should be treated/dispensed with in accordance with this Policy and Rules.
- Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Act.
- Salaries paid by the companies to regular CSR staff/ Teams as well as to volunteers of the companies (in proportion to company's time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.
- The project, programme or activities being, or to be, undertaken by the Company in India shall construe as CSR under the Act.

The CSR expenditure may be made either through own or in collaboration with other companies or through third party including eligible Trust, Society or section 8 company in compliance with the Act and rules made there under in this regard as prescribed under the provision of the Act and the Rules.

5. EXECUTION AND IMPLEMENTATION PROCESS

I. The Board of Directors may decide to undertake its CSR activities approved and recommended by the CSR Committee, in following manner:-

- a) Directly through the CSR Internal Team of the Company comprising:-
 - i. General Manager- Integrated Communication & CSR
 - ii. Manager - CSR

OR/AND

- b) A company established under Section 8 of the Act or a registered 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 alongwith any other company;

OR/AND

- c) A company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or the State Government:

OR/AND

- d) any entity established under an Act or the Parliament or a State Legislature:

OR/AND

- e) A company established under Section 8 of the Act or a registered trust or a registered society registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), and having an established track record of at least three years in undertaking similar activities;

Further, Company may also collaborate with other companies for undertaking projects or programs 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 programs in accordance with the Rules.

II. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and based upon the recommendation of the CSR Committee, the Board shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

6. CSR FUND AND EXPENDITURE

I. The Board of Directors shall ensure that the Company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years in accordance with the Act, the Rules and its CSR Policy:

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2. The CSR Committee shall recommend the manner in which the CSR expenditure shall be incurred in a year, in accordance with the Act, the Rules and the CSR Policy.
3. The Board of Directors shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
4. Administrative overheads may be incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
5. Administrative overheads shall not exceed five percent (5%) of total CSR expenditure of the Company for any financial year (or such percentage as may be modified by law from time to time).
6. The Board of Directors may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. Set-off of amount spent in excess of the prescribed percentage:

Where the Company spends an amount in excess of requirement provided under section 135(5) of the Act, such excess amount shall be set off against the requirement to spend under section 135(5) of the Act, up to immediate succeeding three 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; and
 - ii. the Board of Directors of the Company shall pass a resolution to this effect.
7. Unspent Amount
Any CSR amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the company in pursuance of the Act, the Rules and its CSR Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to the Unspent CSR Account, and such amount shall be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three 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 thirty days from the date of completion of the third financial year. Whereas in case of other projects, the unspent amount shall be transferred to a Fund specified in schedule VII within a period of six months from the end of the financial years.

8. Surplus arising from CSR activity

Any surplus arising out of the CSR projects or programs shall not form part of the business profit of the company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of this CSR Policy and Annual Action Plan of the Company.

Note:

“Unspent CSR Account” refers to a special account required to be opened by the Company in any scheduled bank to be called the Unspent Corporate Social Responsibility Account to transfer the amount remaining unspent at end of Financial Year which relates to any ongoing project.

7. MONITORING MECHANISM

- I. The administration of CSR policy and the execution of identified CSR projects, programs and activities under it shall be carried out under the overall superintendence and guidance of an internal monitoring group i.e. CSR Internal Team or CSR Monitoring Team of the Company, which will periodically update and report to the CSR Committee of the Board.
- II. The Chief Financial Officer or the person responsible for financial management of the Company shall be responsible to monitor that the CSR funds disbursed are utilized in a proper manner and for the purpose as set out in the CSR Policy and shall certify to that effect.
- III. If the Company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. Provided that booking the expenditure towards Corporate Social Responsibility for that financial year, shall not exceed five percent (5%) of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

8. DISCLOSURES

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

The Annual Report on CSR as per the format prescribed in the Rules shall be annexed to the Board's Report of the financial year.

9. POLICY REVIEW AND FUTURE AMENDMENTS

The Committee shall review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board. If any amendment or modification made in the Act or the Rules or any clarification issued by the Ministry of Corporate Affairs in this regard, shall prevail over the relevant provisions of this Policy and the policy to that extent shall be deemed to be modified or altered from the date of such amendment or modification in the Act. Such amended Policy shall be placed before the Board and CSR Committee for noting..

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE CHARTER

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Preamble

This charter governs the operations of the Corporate Social Responsibility (hereinafter referred to as the “CSR”) Committee. The CSR Committee of Board of Directors of the Company has been established in accordance with Companies Act, 2013 to assist the Board of Directors in carrying CSR initiatives and activities taken up by the company at various work-centres and locations of Signify Innovations India Limited, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

I. Composition:

- i. The CSR committee shall be constituted with three or more directors, out of which at least one director shall be an independent director.
- ii. The Company Secretary shall act as Secretary to the Committee.
- iii. The Board of Directors shall review and refresh membership of the Committee from time to time, as required, and re-constitute the committee through appropriate resolution.
- iv. The Chairperson of the Committee shall be appointed by the Board of Directors. In case, the Chairperson is not appointed by the Board or the Chairperson remains absent during the meeting, the members present in the meeting shall elect the Chairperson among them for the meeting.

Latest Composition of the CSR Committee may be incorporated/annexed, from time to time, as an Annexure- II, which shall be considered as a part of this Policy.

2. Quorum and Frequency of Meetings:

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Corporate Social Responsibility Committee; whichever is greater. A duly convened meeting of the Committee at which the requisite quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

The CSR Committee shall meet at least once in a financial year, at a mutually agreed time and place.

3. CSR Internal Team of the Company:

The CSR Internal Team comprising following officials of the Company shall assist the CSR Committee in monitoring the administration of the CSR Policy and the execution of identified/approved CSR projects, programs and activities:

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- i. General Manager- Integrated Communication & CSR
- ii. Manager- CSR

4. Invitees to Meetings:

The CSR Committee may invite and secure attendance of third parties with relevant experience and expertise at the meetings of the CSR Committee as the members of the CSR Committee may require from time to time in pursuance of the CSR activities.

5. Minutes of the Meeting and Approval:

The Company Secretary shall send notices of meetings to all members of Committee and record minutes of the Meeting. The minutes of each meeting of Committee shall be drafted and circulated to members of the Committee as per the provisions of the Act (including any modification/amendment made or clarification issued from time to time). The observations/suggestions made by members, if any, shall be incorporated. The finalised minutes shall be put up for noting at the next meeting.

6. Powers & Duties of the Committee:

- i. Formulate (including review from time to time) and recommend to the Board to approve the CSR Policy of the Company;
- ii. Identify the project(s), programme(s) or/and activities to be undertaken, whether short or long term.
- iii. Formulate and recommend to the Board to an Annual Action Plan in regard to identified project(s), programme(s) or/and activities in pursuance of its CSR Policy.
- iv. Consider other areas, to be included in the CSR activities, if referred by the Board of Directors in accordance with the Policy.
- v. Recommend to the Board to approve the CSR Budget and the amount of expenditure to be incurred on the CSR activities to be undertaken as per the CSR Policy;
- vi. Ensure spending the allocated CSR amount on the CSR activities;
- vii. Create transparent monitoring mechanism for implementation of CSR initiatives in India,
- viii. Submit the Reports from time to time to the Board in respect of the CSR activities undertaken by the Company.
- ix. The CSR Committee may identify and authorize the official(s) of the Company. The concerned official(s) should have suitable background, and report directly to the CSR Committee or a member nominated by the CSR Committee.
- x. The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such

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purpose as may be deemed expedient for the purpose of accomplishment of CSR objectives of the Company.

- xi. The Committee shall discharge such other responsibilities as prescribed under the Act, Rules and this Policy.

7. Annual Action Plan and Approval of CSR Activities:

The CSR activities to be undertaken by the Company under the CSR Policy shall be approved by way of Annual Action Plan formulated in accordance with the provisions of the Act and the Rules, which is required to be approved by the Board of Directors on basis of recommendation made by the CSR Committee.

The Annual Action Plan shall, *inter alia*, contain the following information with respect to the CSR activities proposed to be undertaken by the Company:

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) the manner of execution of such projects or programmes as specified in the Rules and the Policy along with the timelines and year-wise allocation in case of ongoing projects;
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company;

The Board of Directors may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

8. Reporting Mechanism:

- I. The CSR Committee may obtain feedback from beneficiaries about the programmes and report to the Board of Directors, the feedback received from the beneficiaries of CSR Activity. Appropriate documentation of Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same may be made available on the website of the Company.
- II. The Board's Report of the Company pertaining to any financial year shall include an "Annual Report on CSR" containing particulars specified in applicable Annexures as provided in the Rules.

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- III. The impact assessment reports, if required mandatorily in the Act, the Rules and the Policy, shall be placed before the Board and shall be annexed to the annual report on CSR.

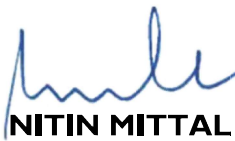
9. Sitting Fees:

The members of the Committee shall be paid sitting fees for every Corporate Social Responsibility Committee meeting attended. The sitting fees shall be such as is approved by the Board from time to time in accordance with the provisions of the Companies Act, 2013.

10. Amendments:

The terms of reference of the Committee may be amended by a resolution passed by the Board of Directors of the company.

Certified to be true
For **SIGNIFY INNOVATIONS INDIA LIMITED**



NITIN MITTAL

Head of Legal & Company Secretary
FCS-7044



Annexure II

Latest composition of the CSR Committee of the Company as on 31st July, 2021

S. No.	Names	DIN	Designation	Chairperson/ Membership
1	Ms. Sangeeta Pendurkar	03321646	Independent Director	Chairperson
2	Mr. Vikas Malhotra	09253036	Whole-time Director	Member
3	Mr. Sumit Padmakar Joshi	07018906	Managing Director	Member