

HAPPIEST MINDS TECHNOLOGIES LIMITED



CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR)*

<i>Effective date:</i>	<i>August 1, 2019</i>
<i>Amendment date</i>	<i>January 28, 2022</i>

This policy has been instituted based on the Corporate Social Responsibility (CSR) philosophy of **HAPPIEST MINDS TECHNOLOGIES LIMITED and provisions of Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and the notifications and circulars issued by the Ministry of Corporate Affairs from time to time.*

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A. CONTEXT:

HAPPIEST MINDS TECHNOLOGIES LIMITED (hereinafter called ‘**the Company**’) is committed to undertake CSR activities in accordance with the CSR Regulations.

The Company conducts its business in a sustainable and socially responsible manner. This principle has been an integral part of the Company’s corporate values and believes that corporate growth and development should be inclusive and every Company must be responsible and shall contribute towards betterment of the society. The Company wishes to commit itself to contribute to the society in ways possible for the organization.

Further, with respect to the Company’s CSR philosophy, the Board has constituted the “**CSR Committee**” as its core CSR team, as a means of fulfilling this commitment.

B. DEFINITIONS:

Act	Companies Act, 1956/Companies Act, 2013 (as applicable), as amended and modified from time to time;
Areas of Interest/Objective	The focus areas / areas of interest as identified by the Company for implementing CSR goals in accordance with the CSR Regulations and as specified in Paragraph D of this CSR Policy read with Schedule I hereto;
Board	Board of Directors of the Company;
Company	HAPPIEST MINDS TECHNOLOGIES LIMITED
CSR	Corporate Social Responsibility;
CSR Committee	The Committee of the Board constituted to implement, supervise and manage the CSR initiatives of the Company in accordance with the CSR Policy of the Company and the provisions of the CSR Regulations, as amended from time to time;
CSR Commitment	In respect of a financial year, shall mean at least 2% (Two Percent) of the average Net Profits of the Company made during the 3 (Three) immediately preceding financial years or such minimum contribution as prescribed under the CSR Regulations, as amended from time to time;
CSR Policy	The CSR Policy of the Company, as amended from time to time;
CSR Regulations	Section 135 of the Act (as amended from time to time), the CSR Rules (as

	amended from time to time) and the notifications and circulars issued by the Ministry of Corporate Affairs from time to time collectively;
CSR Rules	The Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time;
Net Profit	Shall have the meaning ascribed to it in the CSR Rules;
Organizations	Such organizations including Non-Governmental Organizations (“NGO”) as permitted to receive funding in accordance with the CSR Regulations.

C. CSR PROJECTS, PROGRAMMES AND ACTIVITIES:

The Company may undertake various CSR projects, programs and activities from time to time. The Company may also contribute towards any existing or ongoing CSR projects, programs and activities. Such projects, programs and activities will be undertaken keeping in mind the CSR philosophy of the Company and in alignment with the permissible activities under the CSR Regulations. It shall be at the discretion of the Company to undertake, modify, amend, implement and/or cancel CSR projects, programs and activities from time to time as it deems fit.

D. FOCUS AREAS:

Without prejudice to the generality of the aforesaid, the Company may (either independently or in collaboration with other entities or by contribution to NGO’s) undertake one or more of the following activities under the ambit of CSR:

- (i) **Education:** Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled, by: (i) providing monetary contributions to academic institutions for establishing endowment funds and chairs; (ii) providing, food, vehicles, technology products, mobiles, tablets and other facilities with the objective of assisting students in their studies and also contribute to the NGOs in various manner.

- (ii) **Health Care Activities:** Providing health care for visually impaired and physically challenged, creating awareness programmes, setting up of toilets in villages, helping anganwadies and facilitating them with basic amenities and setting up of mobile health vans for rural Karnataka.
- (iii) **Gender Equality and Empowerment of Women:** Setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and promote measures for reducing inequalities faced by socially and economically backward groups.
- (iv) **Environmental Sustainability:** Ensuring environmental sustainability, ecological balance, promotion of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintenance of quality of soil, air and water.
- (v) **Others:** Any other projects, programs and activities falling within the permissible activities prescribed under the CSR Regulations and Schedule I hereto.

E. MODE OF CARRYING OUT CSR ACTIVITIES:

The Company may carry out the CSR activities either on its own, or through a registered Trust or registered Society or through a Company registered under Section 8 of the Act or through one or more of the modes in such manner as it deems fit. Company may also collaborate with other Companies for undertaking projects, programs and activities in such manner as it deems fit and as approved by the CSR Committee.

In the event the Company contributes money to the corpus of a Trust/Society/Company, the CSR Committee will ensure that:

- (i) The Trust/Society/Company has been created/incorporated exclusively for undertaking CSR Activities or such corpus of such Trust/Society/Company is created exclusively for a purpose relating to a subject covered under CSR Regulations; and
- (ii) Such Company or Trust or Society shall have an established track record of at least 3 (Three) year in undertaking similar programs or projects
- (iii) The Company shall give preference to CSR activities being carried out in the local areas and areas around which it operates

F. COMPOSITION AND RESPONSIBILITIES OF CSR COMMITTEE:

- (i) **COMPOSITION:**

The CSR Committee shall consist of 3 (Three) or more directors, out of which at least one director must be an independent director. The Board may change the composition of the CSR Committee from time to time in such manner as it thinks fit and as required under the CSR Regulations.

(ii) **OBJECTIVES OF THE COMMITTEE:**

1. To develop a long-term vision and strategy for CSR activities.
2. To establish process mechanism for the implementation and monitoring the CSR activities in accordance with the CSR Regulations.
3. To strive for economic development that positively impacts the society at large with a minimal resource foot print.

(iii) **RESPONSIBILITIES:**

To achieve the above objectives, CSR Committee will have, *inter alia*, the following roles, powers and responsibilities: -

- i). To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- ii). To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- iii). To formulate and recommend to the Board, an Annual Action Plan in pursuance to the CSR policy;
- iv). To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- v). To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- vi). To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- vii). To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the

CSR Committee in terms of the provisions of Section 135 of the Act.

G. DECISION MAKING BY THE CSR COMMITTEE:

- (i) The CSR Committee shall at all time act in a manner that is consistent with the provisions contained in this CSR Policy and the CSR Regulations.
- (ii) The CSR Committee shall endeavor to arrive at all decisions via consensus of all members. However, on occurrence of any event where the CSR Committee is unable to arrive at a consensus, the decision of the Chairman of the CSR Committee shall be final.
- (iii) All decisions of the Committee shall be ratified by the Board

H. CSR SPENDING:

- (i) The Company may, in every financial year, spend such amounts on its CSR activities as the CSR Committee may authorize from time to time subject to the limits as approved by the Board.
- (ii) Any surplus arising out of CSR projects, programs and activities undertaken by the Company shall not form part of the business profits of the Company.

I. MONITORING PROCESS:

CSR Committee shall monitor the implementation of various programs, projects and activities in such manner as it deems fit. CSR Committee shall also determine the manner of submission of information, reports, files, etc. by third parties as a part of the monitoring process. CSR Committee shall ensure that a transparent monitoring mechanism is put in place.

In the event the Company wishes to implement the CSR activities undertaken by it through a registered Trust or Society or through a Company registered under section 8 of the Act, a report on the progress made by such Trust / Society / Company is to be submitted on a quarterly basis to the CSR Committee for its review and recommendations. The CSR Committee shall periodically report to the Board on the progress made by the Company in implementing the CSR activities undertaken by it.

J. REPORTING:

- (i) The Board's report shall include an annual report on CSR (containing particulars as required under the CSR Regulations), projects, programs and activities undertaken by the Company in the relevant financial year. The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR

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philosophy of the Company and such statement shall form part of the Board's Report.

(ii) If the Company fails to spend the prescribed amount on CSR activities, the Board's Report shall specify reasons for not spending the amount.

(iii) This policy shall be disclosed on the website on the Company.

K. EFFECTIVE DATE:

The Policy shall be effective from the date of approval of the Board of Directors of the Company.

L. AMENDMENTS:

The Policy may be reviewed and amended from time to time by the Board based on the recommendation of the CSR Committee.

SCHEDULE – I**CSR ACTIVITIES TO BE UNDERTAKEN BY THE COMPANY**

The CSR shall focus on social, economic and environmental impact. Various activities that can be undertaken by the Company in general under CSR are outlined below. The Company may take up one or more of the below activities as required by applicable laws.

1. Eradicating hunger, poverty and malnutrition, promoting and preventive healthcare and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government, set-up toilets in villages, management of waste and supporting municipalities for promotion of sanitation and making available safe drinking water.
2. Promotion of education, including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled persons and livelihood enhancement projects and providing scholarships for meticulous students, promoting technology and other supporting contribution to the children's by providing tabs/mobiles.
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, helping anganwadies and facilitating them with basic necessities, setting up of day care centers and such other facilities for senior citizens;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources, plantation of trees, maintain green belts across the road, maintaining quality of soil, air and water including contribution to Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga and other lake cleaning initiative to begin with by collaborating with local government, private agencies, semi government bodies, installing air purifier in local and government hospitals.
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports and Paralympics sports and Olympic sports;

8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the societies;
9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defense Research and Development Organization (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).];
10. Rural development projects
11. Development of Slum Areas.
12. Disaster management, including relief, rehabilitation and reconstruction activities
