

# SINGULARITY HOLDINGS LIMITED

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## CSR POLICY

<b>Effective from</b>	<b>26.06.2021</b>
<b>1<sup>st</sup> Review</b>	<b>24.05.2024</b>

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **1. PREAMBLE:**

At Singularity Holdings Limited (“the Company”), we sincerely believe that the actions of the organization and its community are highly inter-dependent. Both on its own and through constant collaborative interactions with our external stakeholders, the Company strives to become an asset in the communities where it operates.

As our Corporate Social Responsibility, we actively support the Projects and initiatives for the betterment of society, communities, and the health care, education.

### **2. PHILOSOPHY:**

Corporate Social Responsibility (CSR) is a public spirited cause that has been well introduced by the Companies Act, 2013. Through the CSR there is a formation of a dynamic relationship between a Company on one hand and the Society and Environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit.

The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs. The Company is committed towards improving the quality of lives of people in the communities in which it operates because the society is an essential Stakeholder and the purpose of its existence. The Company believes that giving back to the Society through CSR activities is its moral duty.

The Company aims to fulfill the requirements laid down under the Companies Act, 2013 and act diligently to comply with all its Rules and Regulations with respect to CSR.

### **3. PURPOSE:**

The key purpose of this Policy is:

- To ensure that the Company is committed to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To take up programmes that benefits the communities in and around its work centres and over a period of time, results in enhancing the quality of life of the people in the area of its business operations.

#### **4. SCOPE AND APPLICABILITY:**

The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the "Act") and in accordance with the CSR Rules (hereby referred to as "the Rules") notified by the Ministry of Corporate Affairs, Government of India. Further, this Policy is revised to conform with the amendments in the Act and the Rules.

This policy shall be applicable to all CSR initiatives and activities undertaken by all the employees of the Company for the benefit of different segments of the Society.

#### **5. MISSION:**

Driving positive impact in communities.

#### **6. OBJECTIVE OF CSR POLICY:**

The objective of this policy is to continuously and consistently:

- Generate goodwill in communities where the Company operates or are likely to operate;
- To support the activities/programs/ projects that benefit communities specially the areas like Health Care, Education, etc.;
- Encourage an increased commitment from employees towards CSR activities and volunteering.

#### **7. RESOURCES:**

The **Corporate Social Responsibility Committee ("CSR Committee")** is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities and to monitor the CSR Policy periodically.

##### **7.1 FUNDING AND ALLOCATION:**

For achieving the CSR objectives through implementation of the meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, atleast 2% of the average net profits of the Company made during the three immediately preceding Financial Years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

##### **7.2 VOLUNTEERING OF EMPLOYEES FROM THE ORGANIZATION:**

The Company will encourage and recognize its employees for volunteering with the spirit of serving and sharing with the community.

The Company shall endeavor to increase employee participation at all levels in the Organization, by encouraging employees to participate in the Company's CSR activities.

## **8. CSR THRUST AREAS:**

The Company has identified CSR Thrust Areas for undertaking CSR Projects/ programs/ activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/ NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending.

### **8.1 THRUST AREAS:**

- Education:  
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Health:  
Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Environment:  
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- Others
  - Promoting gender equality, empowering 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 measures for reducing inequalities faced by socially and economically backward groups.
  - 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 arts and handicrafts.
  - Measures for the benefit of armed forces veterans, war widows and their dependents.
  - Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
  - Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for Socio-Economic Development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
  - Contribution or funds provided to Technology Incubators located within

- academic institutions which are approved by the central government.
- Rural Development Projects.
- Any other activities that the CSR Committee of the Company may define from time to time.

**The CSR amount can be spent through any of the eligible entities as described in paragraph 11 of this Policy on any of the activities specified under Schedule VII of the Companies Act, 2013 and Rules made thereunder.**

**9. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

**9.1 COMPOSITION:**

The Corporate Social Responsibility Committee (“CSR Committee”) shall consist of three or more Directors amongst whom at least one shall be an Independent Director.

The Company Secretary shall act as the Secretary to the Committee.

The CSR Committee consists of:

<b>Sr. No.</b>	<b>Name of the Members</b>	<b>Designation in Committee</b>	<b>Category of Directorship</b>
1.	Mrs. Vaishali Dhuri	Chairperson	Non-Executive Director
2.	Mr. Ritesh Zaveri	Member	Non-Executive Director
3.	Mr. Vallabh Prasad Biyani	Member	Non-Executive, Independent Director

*(It may be noted that the Constitution of the Committee will change based on decision taken by the Board of Directors of the Company).*

**9.2 MEETINGS:**

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to attend all the meetings held in a Financial Year.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

### **9.3 ROLE OF CSR COMMITTEE:**

- a. 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, 2013 (as amended from time to time).
- b. To recommend the amount of expenditure to be incurred on the activities in a Financial Year.
- c. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d. Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

### **9.4 RESPONSIBILITIES OF THE BOARD:**

The Board shall:

- Form a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR.
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law.

### **10. IMPLEMENTATION:**

- The Company will implement its CSR activities in accordance with Section 135 of the Companies Act 2013 and Rules notified thereafter. The Company may undertake and/or initiate CSR activities through registered Trust/ Company under section 8 of the Companies Act 2013.
- Company has identified few trusts for carrying out its CSR activities which are covered under Rule 4(1) of Companies (Corporate Social Responsibility Policy) Amendment

Rules, 2021.

- The CSR Committee shall provide guidance on the allocation of the CSR budget among the thrust areas on an Annual Basis.
- CSR Projects will be undertaken based on the recommendation of the CSR Committee to the best possible extent, within the defined Thrust Areas.
- The Company's support to any activity/program/project will depend on the scale of the activity/program/project and feasibility of the activity/program/project. The CSR Committee will evaluate the project progress and impact at regular intervals.

#### **11. ELIGIBLE ENTITIES:**

As per Rule 4(1) of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the CSR liabilities can be undertaken through the following eligible entities: –

- 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 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.

#### **12. ANNUAL ACTION PLAN:**

As per Rule 5(2) of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the CSR Committee shall formulate & recommend an Annual Action Plan to the Board. The Annual Action Plan by the CSR Committee shall inter-alia include:

- a) the list of CSR projects or programs 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 programs as specified in Sub-Rule (1) of Rule 4;
- c) the modalities of utilization of funds and implementation schedules for the projects or programs;
- d) monitoring and reporting mechanism for the projects or programs;

e) the details of need and impact assessment, if any, for the projects undertaken by the Company.

The CSR Committee shall formulate and recommend to the Board an Annual Action Plan on the implementation of the CSR activities in a timely manner. As the name suggests the action plan is expected to be an annual activity and thus the CSR Committee shall annually recommend to the Board a plan on the effective CSR implementation. As the annual plan would differ depending upon the type of CSR project/ activity recommended to the Board, the annual plan is not included in the Policy and it will be decided annually by the CSR Committee and the Board respectively.

The Board may alter such plan at any time during the Financial Year, as per the recommendation of its CSR Committee.

### **13. GUIDING PRINCIPLES FOR COMPLIANCE, IMPLEMENTATION, MONITORING AND REPORTING OF ACTIVITIES:**

#### **COMPLIANCE:**

CSR Committee will plan, implement, monitor and manage all CSR projects & activities.

The CSR Committee shall formulate and recommend to the Board of Directors, an Annual Action Plan in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, details and need for impact assessment if any, for the project undertaken by the Company, etc.

The Board of Directors may approve an Annual Action Plan with such further conditions as it deems fit and further alter the plan at any time during the Financial Year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

#### **IMPLEMENTATION PROCESS:**

The Company can engage any of the eligible entities as defined in this Policy for undertaking projects or programmes or CSR activities in accordance with Rule 4 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. Further, the Company may also enter into any of the eligible CSR projects on its own without the engagement of any of the eligible entities/ external agencies.

As Rule 7 (4) of the CSR Amendment Rules, 2021 allows Companies to spend CSR amount by creating / acquisition of capital asset through a Section 8 Company, or a Registered Public

Trust or Registered Society having charitable objects and CSR registration number or public authorities the Company can also spend its CSR amount by contributing to the creation/acquisition of capital asset through such entities.

**MONITORING:**

The CSR Committee will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project. In case the CSR amount is spent by creating / acquisition of capital asset to be held by the entities as provided in Rule 7 (4) of the CSR Amendment Rules, 2021 the CSR Committee shall evaluate such spending on the basis of the report submitted by such entity.

**REPORTING:**

The Chief Executive Officer/ Chief Financial Officer or the person responsible for financial management shall certify to the Board that the funds so disbursed have been utilized for the purposes in the manner as approved by the Board.

The Company shall annually publish report on the CSR projects in the format as prescribed in the CSR Amendment Rules, 2021 as amended from time to time which shall form part of the Directors Report.

The Company shall have to carry out impact assessment through an independent agency of the CSR projects completed not less than one year before undertaking the impact study and having outlays of one crore rupees or more if the Company's average CSR obligation in the three immediately preceding financial year was Rupees Ten Crore or more.

The CSR Policy as approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.

**14. TREATMENT OF SURPLUS ARISING OUT OF CSR ACTIVITIES:**

In accordance with Rule 7(2) of the CSR Amendment Rules, 2021, any surplus arising out of the CSR activities shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and Annual Action Plan of the Company or transfer such

surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the Financial Year.

#### **15. TREATMENT OF EXCESS CSR AMOUNT SPENT AND UNSPENT CSR AMOUNT:**

As per Rule 7(3) of the CSR Amendment Rules, 2021, where a Company spends an amount in excess of requirement provided under Sub-Section (5) of Section 135, such excess amount may be set off against the requirement to spend under Sub-Section (5) of Section 135 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, if any.
- ii. The Board of the Company shall pass a resolution to that effect.

Further the CSR amount remaining unspent in accordance with Section 135 (5) and (6) of the Companies Act, 2013 will be transferred by the Company to any fund included in Schedule VII of the Act.

#### **16. CRITERIA FOR IDENTIFYING CSR PROJECTS:**

While identifying the projects all efforts must be made to the extent possible to define the following:

- a. Project objectives.
- b. Baseline survey – It would give the basis on which the outcome of the Activity/ Program/ Project would be measured.
- c. Implementation schedules- Timelines for milestones of the Activity/Program/Project will need to be prescribed.
- d. Responsibilities and authorities.
- e. Major results expected and measurable outcome.

#### **17. CRITERIA FOR IDENTIFYING NON-GOVERNMENTAL ORGANIZATIONS (NGOS):**

While identifying Activity/Program/Project we will also identify the external agency (NGO) who would execute the said Project. In case of Project execution by them the following minimum criteria need to be ensured:

- The NGO / Agency has a permanent office in India;
- The NGO is a registered society under Societies' Registration Act / Public Trust Act/ not-for- profit company under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956);

- Possesses a valid Income-tax Exemption Certificate;

The Company may also collaborate with other companies to undertake CSR Projects or Programs, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programs.

**GENERAL**

- Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This Policy shall also be subject to such clarifications and FAQs as may be issued by MCA from time to time.
- Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from the Government, from time to time.
- The Company reserves the right to modify, cancel, add, or amend any of these Rules.

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