

CORPORATE SOCIAL RESPONSIBILITY POLICY MERITTRAC SERVICES PRIVATE LIMITED

This policy in relation to the Corporate Social Responsibility of Merittrac Services Private Limited (“CSR Policy”) and shall include any alterations, amendments, or modifications hereto from time to time.

1. Background

- 1.1 The CSR Policy is framed in accordance with Section 135 (1) of the Companies Act, 2013 (‘Act’) read with Rule 3 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (‘Rules’). This CSR Policy subject to applicable laws and establish a Corporate Social Responsibility Committee of the Company in compliance with the provisions of this CSR Policy. MeritTrac Services Private Limited (“Company”), has set up a Corporate Social Responsibility Committee of the Board comprising of 2 (two) existing directors to oversee and monitor the CSR activities in line with the CSR Policy.

The CSR Committee shall be responsible for monitoring the CSR Policy from time to time. The CSR Committee shall recommend to the Board for approval, the projects or programmes to be undertaken, the modalities of execution and implementation schedule from time to time.

Apart from recommending and approving the budgets for project implementation, the CSR Committee will also institute monitoring mechanism to track progress of each project. The Committee reports to the Board of Directors. The members of the Committee are Mr. Rajesh Krishnaswamy Moorti – Chairperson and Mr. Ambrish Sinha .

2. Policy Objectives

- 2.1 The Company is committed to conduct businesses and govern themselves with ethics, transparent and accountable manner to the stakeholders and the society at large. To lay down guidelines for proper functioning of CSR activities to attain monitor and meet the guidelines set out under the CSR Policy, the Company in the CSR Policy refers the underlying principles, and core elements essential for laying down the CSR Policy and implementing the same.

The Company’s CSR policy conforms to the provisions of the Act and Rules made thereunder.

3. Scope

The CSR policy covers various initiatives, the Company recognise that creating value for the Company’s Customers, society, and the environment, strengthens Company’s businesses. The Company’s commitment to CSR is increasing important to how others perceive its Group’s brand name and the Group’s CSR efforts help us create strong relationships built on trust with customers, investors, students, partners, government authorities and bodies, and other stakeholders.

4. Definitions

- 4.1 “**Act**” means Companies Act, 2013
- 4.2 “**Administrative overheads**” means expenses incurred by Company for “general management and administration” of CSR functions in the Company, but shall not include expenses directly incurred for designing, implementation, monitoring and evaluation of a particular CSR project or programme.
- 4.3 “**Company**” means MeritTrac Services Private Limited and all its offices in India.
- 4.4 “**CSR Activities**” as referred under clause 5.
- 4.5 “**CSR Committee**” means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the Rules thereunder.

- 4.6 “**CSR Expenditure**” the corpus would include (a) 2% of the average Net Profits; (b) any income arising therefrom; (c) any surplus arising out of CSR activities, will not be part of business profits of the Company.
- 4.7 “**Net Profit**” means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following namely:-
- (i) Any profit arising out of overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:
- Provided that net profit in respect of a financial year for which the relevant financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act;
- 4.8 “**Ongoing Project**” means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three (3) years excluding the financial year in which such project has commenced and also includes earlier projects whose duration has been extended beyond one year by the Board on reasonable justification.
- Any term not defined above, shall have the meaning assigned to it under the Act or the Rule.

5. Areas of CSR Activities

- A. The Company's diverse CSR initiatives include inter-alia the following activities through Manipal Foundation:
- (i) Education
 - promotion of Education, including special education and employment;
 - support for girl children at primary education level;
 - intervention for needy government high school students by providing curriculum based coaching, after school hours;
 - provide life skill training for children of government schools and orphanages aimed at overall personality development;
 - (ii) Healthcare and treatment for needy and poor;
 - Free/subsidized treatment at Manipal hospitals for cardiac surgeries, renal transplants, bone marrow transplants, neurological procedures/ surgeries, orthopaedic procedures / surgeries, emergency medical care in ICU's
 - (iii) Women empowerment;
 - Setting up and supporting hygiene initiatives carried out by self-help groups in rural areas
 - Vocational training to women in tribal/ forest areas to manufacture and market products made from forest products.
 - (iv) Vocational skill training and livelihood enhancement projects for
 - Differently abled youth;
 - Sourcing, assessing, training and placing candidates through various skill providers;
 - related Skill development / vocational training, self-employment and livelihood enhancement projects;
 - (v) Environment management projects
 - Rejuvenate water bodies and reintroduce traditional and sustainable water harvesting structures for rural communities to access water and meet livelihood needs throughout the year.
- B. The CSR Committee shall ensure that the activities the Company chooses to contribute for any of its CSR activities under CSR Policy are related to the activities inter-alia as referred under Schedule VII of the Act or (Corporate Social Responsibility Policy) Rules, 2014 notified by Ministry of Corporate Affairs from time to time.

- a) eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water, Sanitation and public health/low cost toilets;
- 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 quality and empowering women, providing facilities for senior citizens and reducing inequalities faced by socially and economically backward groups, aiding disabled / handicapped;
- d) infrastructure support to education centres/resource generation centres/ other education centres in forms of classroom items, computers etc.,
- e) community health care (specialised medical treatment, health camps, awareness camps)
- f) 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, Solar lighting system /non-conventional energy systems, rain water harvesting system;
- g) 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;
- h) measures for the benefit of armed forces, veterans, war widows and their dependents;
- i) training to promotion of rural sports, nationally recognised sports, Paralympic sports and Olympic sports & games;
- j) drinking water facilities (well, tube wells with hand pump/solar pump)
- k) construction /repair & maintenance of community centres, schools, colleges, hostels, old age homes etc.,
- l) 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;
- m) (a) contribution to funds provided 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 or State Government; and (b) contributors 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 Homeopathy (AYUSH); Ministry of Electronics and Information technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Agricultural Research (CSIR); engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SGGs).
- n) rural development projects;
- o) slum area development, those areas which are 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;
- p) disaster management, including relief, rehabilitation and reconstruction activities;
- q) In addition to above, in special/urgent cases, any development /CSR activities notified by the Ministry of Corporate Affairs from time to time and/or other similar CSR activities.

6. Allocation of funds

- a) The Company shall allocate funds atleast 2% of the average Net Profits of the Company made during the three immediately preceding financial years, towards the CSR annual budget plan. However, the same shall not be applicable, if there is loss.
- b) Any unspent/unutilised CSR budgeted funds for a particular year, shall not be carried forwarded to the following year i.e; the CSR budget shall be non-cancellable in future.
- c) The surplus arising out of the CSR activities or projects or programs shall not form part of the business profits of the Company and shall be ploughed back into the same project 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 in Schedule VII, within a period of six months of the expiry of the financial year.

7. Arrangement with Manipal Foundation / similar institutions

The Company's CSR Programmes will be implemented through (i) Company's personnel (ii) Manipal Foundation (a registered trust and having registered with Ministry of Corporate Affairs for undertaking CSR activities) or (iii) external implementing agencies. Being similar national/state institutions (being either a Company established under section 8 of the Act or registered public trust or registered society registered under Section 12A and 80G of Income Tax Act, 1961) with atleast 3 years track records of carrying out CSR activities The contribution of CSR funds from the Company shall be provided to Manipal Foundation or identified external implementing agencies.

The Chairperson of the CSR committee would have overall supervision of all activities carried out by Manipal Foundation / similar institutions or may be delegated to senior management officials of the Company from time to time. All projects are identified in a participatory manner, in consultation with Manipal Foundation and the relevant projects are prioritised.

8. Planning, implementation and monitoring of CSR activities

All the CSR activities shall be monitored regularly by Chairperson of the CSR Committee. Review discussions shall be held amongst CSR Committee members and suggestions thereof for further improvements shall be discussed in details. Feedback shall be regularly obtained on a quarterly basis from the representative of Manipal Foundation / similar institutions about benefits of various activities and/or their suggestions. In addition, during the Board meetings of Company, the Board shall also review the implementation of the CSR activities as per the understanding with Manipal Foundation or similar national / state level institution. The representative of Manipal Foundation or similar national / state level institutions will be invited to the CSR Committee meetings for briefing and implementation status of various CSR activities and measure the impact of such CSR activities through social satisfaction feedback surveys/ audits carried by external agency.

The Board shall ensure that the administrative overheads shall not exceed give percent of total CSR expenditure of the Company for that financial year.

9. Evaluation and impact assessment

In addition, the CSR Policy of CSR, programmes/activities, achievement, photographs, expenditure etc. shall be made available in the public domain, particularly on the annual reports, website of the Company.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, include the following details : (a) list of CSR projects that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act; (b) manner of execution of such projects or programmes as specified in the rules; (c) modalities of utilization of funds and implementation schedules for the projects or programmes; and details of need and impact assessment, if any for projects undertaken by Company. The Board may alter such plan at any time during the financial year, as per recommendation of CSR committee based on

reasonable justification.

The Chief Executive Officer shall be responsible for the administration, interpretation, application and review of this CSR Policy. One of the Director along with the Chief Executive Officer shall be empowered to bring about necessary changes to this CSR Policy, if required at any stage with the concurrence of the members of CSR Committee. The Chief Financial Officer or the person responsible for financial management of the Company shall certify and provide a certificate to the effect that the funds so disbursed have been utilized for the purposes and in the manner approved by the Board.

10. General

- a) The CSR Committee reserves the right to modify, cancel, add or amend any of the above rules / guidelines.
- b) Any or all provisions of the CSR policy shall be subject to revision / amendment in accordance with the guidelines on the subject as may be issued by Company, from time to time.

11. Amendments

The CSR Committee reserves its right to amend or modify this CSR Policy in whole or in part, at any time in accordance with provisions of the Act and the Rules provided thereunder.

Key CSR Projects (FY 2021-22)

Sl. No.	CSR Programmes	Category under Schedule VII	Implementation Modality	Implementation Schedule
1.	Virtual Classroom- Learning Program	2	Implementation Agency	During the year

CSR Policy (Document History)

Version & Date	Prepared By	Approved by	Changes & reasons for change
2.0 22.09.2021	Head-Finance	Recommended by CSR Committee and approved by Board of Directors	Revisions in accordance with provisions of amendments under Companies (CSR Policy) Amendment Rules, 2021 promulgated in January, 2021 and Section 135 of the Companies Act, 2013 as per Notifications of MCA on 22 Jan, 2021.