

CORPORATE SOCIAL RESPONSIBILITY POLICY

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CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY

Brainbees Solutions Limited (“**Company**”) is committed to contribute to harmonious and sustainable development of the society. We recognize that business enterprises are economic organs of society that draw on various societal resources for its functioning and growth. It is our core belief therefore that a Company’s performance must be measured not only by its bottom line but also with respect to the social contributions made by the Company while achieving its financial goals.

1. Purpose

Company is committed to identifying and supporting the programs aimed at:

- Developing and advancing the community and in particular, those at the bottom of the pyramid who are unequally endowed/enabled, and
- Making the community Self-Reliant.

This policy will serve as a guiding document containing approach and direction given by the Board, taking into account the recommendations of the CSR Committee, defining guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan. The CSR policy would function as a self-regulating mechanism for Company’s CSR activities and enable adherence to laws and ethical standards in this regard.

2. CSR Vision

To be a catalyst for a more equitable and inclusive society by supporting long term sustainable transformation and social integration.

3. CSR Mission

To contribute to the social and economic development of the community. Through a series of interventions, Company seeks to mainstream economically, physically and socially challenged groups and to draw them into the cycle of growth, development and empowerment. At the core of this is its commitment to reach out to marginalized communities through its CSR initiatives.

4. CSR Values

The values that will govern to achieve our vision are:

- Scale,
- Impact, and
- Sustainability.

5. CSR focus area

Company shall give preference to the local area and areas around it, where it operates, for CSR activities. The CSR focus areas for community to progress are:

A. Education and Empowerment

Category: Companies Act -2013, Schedule VII (ii) Promoting Education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

Education is a basic human right pivotal to personal and societal development and so is an integral part of our CSR work. Under education we will work and support promotion of primary education and employment oriented training especially among women and youth.

A major factor contributing to rural youth underemployment is skills mismatch with huge skills deficit in limited job growth and expansion. We will work on enhancing vocation skills especially among youth and women. We will also work on livelihood enhancement projects through Self Help Group and Entrepreneurship development program with women and economically backward groups.

B. Health and Sanitation

Category: Companies Act -2013, Schedule VII (i) 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.

We will work on providing better health awareness programs, health check-up program, program for preventing diseases and building immunity, etc. We will also work on aspects of water, sanitation and hygiene because of which the health and financial burden on poor people is high. We will work on awareness program, construction of toilets in schools and construction of toilets for general needy community.

C. Empowerment of Women

Category: Companies Act -2013, Schedule VII (iii) promoting gender equality, empowering women, setting up homes and hostels for women.

Company believes that global development cannot be accomplished without an equal participation by the women force. To translate its beliefs into practice,

Company will take initiatives that redefine the role of woman in the society and partner with voluntary organizations that work in the same direction.

D. Rural and Tribal Development

Category: Companies Act -2013, Schedule VII (x) Rural Development projects.

We believe that the well-being of people living in rural and tribal areas ensures sustainable development. We will work with local administrations to achieve community development goals. We will partner with governments and NGOs for development of rural and tribal areas, including but not limited to improving infrastructure such as constructing roads, providing drainage systems and electricity, and rehabilitating natural-disaster affected victims in rural and tribal areas.

E. Promotion of Sports

Category: Companies Act – 2013, Schedule VII (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.

We will support interventions promoting sports among youths, children and athletes as per need and impact through the support towards coaching and training, equipment, medical / rehab, promoting participation, sports kits etc.

F. Contribution to specified funds

Category: Companies Act – 2013, Schedule VII (viii) 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.

Company shall promote socio economic development and relief activities by supporting specific funds set up by the government and made eligible under the Companies Act, 2013 and amendments thereof.

6. Governance

Overall governance of CSR and approving of the CSR Policy will be the responsibility of the Board on the recommendations of the CSR Committee:

- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy.
- The Board shall ensure proper implementation of the CSR Policy along with monitoring and reviewing CSR Activities undertaken by the Company and provide inputs as and when required.
- The Board shall satisfy itself that the CSR funds so disbursed are alignment to the CSR Policy of Company and have been utilized for the purposes and in the manner

approved by it. The Chief Financial Officer of the Company shall certify the same to the effect.

- The Board shall also ensure appropriate disclosures pursuant to the Companies Act, 2013 and Amendments thereof in the Annual Reports in prescribed formats.
- In case of ongoing project, as defined under the Companies (CSR Policy) Amendment Rules 2021, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- The CSR Committee will be responsible for administering and executing the policy. As Company's CSR activities evolve further, the policy may be revised with the approval of the Board as per the recommendations CSR Committee of the Board.

7. CSR Committee

The Company has constituted a CSR Committee of the Board consisting of three directors including one Independent Director. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher and meetings may be convened and held at the discretion of the Corporate Social Responsibility Committee. The following shall be the terms of reference of the Committee:

- (a) 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 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- (b) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (c) instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
- (d) identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (e) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- (f) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when

amended from time to time.

8. CSR Implementation

In accordance with Section 135 of the Companies Act, 2013 and rules made thereunder, on the recommendation of CSR Committee, Board of Directors of Company will approve the CSR Policy and monitor the CSR activities from time to time. All projects are identified as per needs of the community. We will strive to undertake the aforesaid CSR activities on our own to the extent possible. We will also work with other organizations for undertaking the aforesaid CSR activities, which include:

- Collaborating with various organizations, which are registered under section 8 of the Companies Act, 2013, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or 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.
- Contribution to various government funds as mentioned in Clause 5 (f) of this Policy, which are aligned to our CSR focus area.
- Collaborating or pooling resources with other companies to undertake aforesaid CSR activities.

9. CSR Budget

The Board shall ensure that in every financial year, at least 2% of average net profits from the immediately 3 preceding financial years is spent on CSR initiatives undertaken by the Company. The overall amount to be committed to CSR will be approved by the Board as recommended by the CSR committee through its Annual Action Plan carrying list of CSR projects or programs approved to be taken. The following guiding principles to be adhered to in terms of CSR Budget Outlay and Expenditure –

- The administrative overheads shall not exceed five percent (5%) of the total CSR expenditure of Company for the financial year.
- Any surplus generated from CSR activities shall not form part of the business profit of Company and shall be treated as follows:
 - Plough back into the same project; or
 - Transfer to a designated Unspent CSR Account (UCSRA) and spent in pursuance of CSR policy and Annual Action Plan of Company; or
 - Transfer to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules.
- Any unspent amount shall be reported by the Board in its report specifying the reasons for not spending the amount and shall be dealt with in accordance to Section 135 of the Companies Act, 2013 and rules made thereunder.
- In case, Company spends an amount in excess of requirement of its CSR obligations in a financial year, such excess amount may be set off against the

requirement of CSR spending up to immediate succeeding three financial years subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amendment thereunder from time to time.

- The Company may spend its CSR Budget for creation or acquisition of a capital asset subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amendment to the same.

10. CSR Monitoring

The CSR initiatives/ activities will be monitored and reviewed periodically by the Board of Directors of Company and the Chief Financial Officer shall certify to the effect.

11. Disbursement

The disbursal of funds will be either in tranches or one-time payment depending on the nature and requirement of the project and the Annual Action Plan as recommended by the CSR Committee and approved by the Board..

12. CSR Reporting

Appropriate disclosures and reporting on all CSR activities and assessments done by Company will be done as part of the Director's Report in the prescribed formats as per statutory and regulatory reporting requirements of the Companies Act, 2013. Further, mandatory filing of Form CSR-2 on MCA portal within the prescribed due date will be made.

13. Guiding Principles for initiating CSR Programs/Projects

To provide a focused and structured approach to the program, the Company will focus its support and CSR spends on specific pre-determined causes and areas of intervention as outlined in this Policy.

The CSR committee shall formulate an Annual Action Plan in pursuance of this CSR Policy, which shall include the following and recommend it to the Board for Approval:

- A. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
- B. the manner of execution of such projects or programmes;
- C. the modalities of utilization of funds and implementation schedules for the projects or programmes; and
- D. monitoring and reporting mechanism for the projects or programmes; and
- E. details of need and impact assessment, if applicable, for the projects undertaken by the Company.

The Annual Action Plan compliant with the Companies Act, 2013 and the amendments thereof, to follow the below mentioned guiding principles:

A. Guiding Principles on formulation of the Annual Action Plan:

- The CSR programs/ projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- The CSR programs/ projects will be within the areas listed in the Schedule VII of the Companies Act, 2013 and mentioned in this Policy.
- The CSR programs/ projects will be beyond business as usual.
- The CSR programs/projects will be implemented within the country and preferably in areas where Company has its presence.
- The CSR Programs/Projects should not be exclusively for the benefit of employees of the company or their family members or those that are conducted /undertaken exclusively in pursuance of the normal course of business.
- The CSR programs/ projects should exclude activities that are to be supported on sponsorship basis for deriving marketing benefits for its products or services.
- The CSR programs/ projects should exclude activities carried out for fulfilment of any statutory obligations under any law in force in India.
- In review of existing 'ongoing' projects as defined under the CSR Amendments and its progress against the approved timelines for those projects.
- In review of excessive amount approved by the Board for setting off against the budget of any financial year as eligible under the Act and its amendments.
- In review of any unspent amount from preceding FYs as aggregated in 'Unspent Corporate Social Responsibility Account (UCSRA)
- Any surplus, generated out of the CSR activities of the Company, will be ploughed back to the CSR Initiatives of the Company and Unspent amount (if any) from CSR program/project will be incurred/transferred in accordance to CSR rules of the Act and amendments thereof.

During any financial year, the Annual Action Plan of Company may be modified with approval of the Board.

B. Guiding Principle on Selection, Implementation and Monitoring of CSR Projects:

The Board shall ensure that the CSR activities are undertaken by Company itself (Direct Projects) with the involvement of its employees/units or indirectly through one or more organizations as mentioned in this Policy, which are eligible under the Companies Act, 2013 and any amendments thereof.

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects / programs/ activities proposed to be undertaken by Company.

14. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Unless otherwise specified such amendments shall be effective from the date of the meeting of the Board of Directors of the Company at which such amendments are approved.