# CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

**OF**

# PRIZOR VIZTECH LIMITED

**CIN:** L26401GJ2017PLC095719

**Registered Office:** Office No. 514, Maple Trade Centre, Nr, Surdhara Circle, Thaltej, Ahmedabad, Gujarat, India, 380054

## 1. PREAMBLE

Prizor Viztech Limited ("Company") recognizes that its business activities have an impact on the society and environment in which it operates. The Company believes that sustainable business growth must be accompanied by responsible corporate citizenship and meaningful contribution towards the welfare and development of society. The Company is committed to conducting its business in a socially responsible, ethical and environmentally sustainable manner and to contributing towards inclusive growth and development of communities.

This Corporate Social Responsibility Policy ("CSR Policy" or "Policy") has been formulated in accordance with the provisions of **Section 135 of the Companies Act, 2013 ("Act"), Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), as amended from time to time.**

The CSR Policy shall serve as a guiding document for identifying, evaluating, selecting, implementing, monitoring and reporting CSR activities undertaken by the Company.

## 2. SHORT TITLE AND APPLICABILITY

2.1 This Policy shall be called the **"Corporate Social Responsibility Policy of Prizor Viztech Limited."**

2.2 This Policy shall apply to all CSR activities undertaken by the Company pursuant to Section 135 of the Act and the CSR Rules.

2.3 The provisions of this Policy shall be applicable to the Company to the extent that the Company satisfies the eligibility criteria prescribed under Section 135(1) of the Act.

2.4 The CSR Policy shall be interpreted and implemented in accordance with the Act, Schedule VII, CSR Rules and any amendments, notifications, circulars, clarifications or other applicable statutory requirements issued by the Ministry of Corporate Affairs ("MCA") from time to time.

## 3. OBJECTIVES OF THE CSR POLICY

The key objectives of the CSR Policy are:

a. To undertake CSR initiatives for the benefit and sustainable development of society;

b. To contribute towards social, economic and environmental development;

c. To support initiatives relating to education, healthcare, sanitation, livelihood enhancement, environmental sustainability and other activities specified under Schedule VII;

d. To promote inclusive growth and equal opportunities for disadvantaged and underprivileged sections of society;

e. To undertake CSR projects that create sustainable and measurable social impact;

f. To encourage employee participation, wherever appropriate, in CSR initiatives; and

g. To conduct CSR activities in a transparent, accountable and responsible manner.

## 4. CSR VISION

The Company shall endeavor to undertake CSR activities with the objective of creating a positive and sustainable impact on society and the environment. The Company shall focus on CSR initiatives that are aligned with the needs of the communities and beneficiaries and that are capable of producing measurable and meaningful outcomes.

## 5. CSR GOVERNANCE STRUCTURE

### 5.1 Board of Directors

The Board of Directors of the Company ("Board") shall have overall responsibility for ensuring compliance with the provisions of Section 135 of the Act and the CSR Rules.

The Board shall, inter alia:

a. approve the CSR Policy and amendments thereto;
b. approve the CSR Annual Action Plan, wherever applicable;
c. ensure that the activities undertaken by the Company are included in the CSR Policy and fall within the scope of Schedule VII;
d. ensure that the Company spends the prescribed CSR amount in accordance with the Act and the CSR Rules;
e. ensure that the funds so disbursed are utilized for the approved purposes and in the manner approved by the Board;
f. satisfy itself regarding the utilization of CSR funds;
g. monitor the implementation of CSR projects and programmes;
h. approve the annual CSR report for inclusion in the Board's Report; and
i. undertake such other functions as may be prescribed under the Act and CSR Rules.

### 5.2 CSR Committee

Where applicable under Section 135 of the Act, the Company shall constitute a CSR Committee comprising such number and category of Directors as may be prescribed under the Act and CSR Rules. The CSR Committee shall discharge such functions and responsibilities as may be prescribed under applicable law and delegated to it by the Board.

Where the Company is not required to constitute a CSR Committee under the applicable provisions of the Act and CSR Rules, the functions of the CSR Committee shall be discharged by the Board in accordance with applicable law.

## 6. CSR ELIGIBILITY

The CSR provisions under Section 135 of the Act shall apply to the Company if, during the immediately preceding financial year, the Company satisfies any of the following criteria:

a. Net worth of **₹500 crore or more**; or

b. Turnover of **₹1,000 crore or more**; or
c. Net profit of **₹5 crore or more**.

The applicability of CSR provisions shall be determined in accordance with the Act and CSR Rules as amended from time to time.

**7. CSR EXPENDITURE**

7.1 The Company shall spend, in every financial year, at least **2% of the average net profits of the Company made during the three immediately preceding financial years**, or such other amount as may be prescribed under Section 135 of the Act.

7.2 Where the Company has not completed three financial years since its incorporation, the CSR expenditure shall be determined in accordance with the applicable provisions of the Act and CSR Rules.

7.3 The net profit for CSR purposes shall be calculated in accordance with Section 198 of the Act and the applicable CSR Rules. The MCA has clarified that profit before tax is used for determining net profit for CSR purposes, subject to the statutory adjustments prescribed under the Act and CSR Rules.

7.4 The Company shall endeavor to ensure that the CSR expenditure is utilized effectively for the approved CSR projects and programmes.

7.5 The administrative overheads shall not exceed the limit prescribed under the CSR Rules, presently **5% of the total CSR expenditure of the Company for the financial year**.

7.6 Any surplus arising out of CSR activities shall not form part of the business profits of the Company and shall be dealt with in accordance with the applicable provisions of the CSR Rules.

7.7 Where permissible under the Act and CSR Rules, the Company may set off excess CSR expenditure against its CSR obligation for subsequent financial years, subject to the prescribed conditions.

**8. AREAS OF CSR ACTIVITIES**

The Company may undertake CSR activities falling within the scope of Schedule VII of the Companies Act, 2013, as amended from time to time.

The Company may particularly consider undertaking projects relating to the following areas:

**8.1 Eradicating Hunger, Poverty and Malnutrition**
- Eradicating hunger and poverty;
- Promoting health care, including preventive healthcare;
- Sanitation and hygiene;
- Making available safe drinking water;
- Nutrition-related initiatives.

**8.2 Education and Livelihood Enhancement**
- Promoting education, including special education;
- Employment-enhancing vocational skills;

- Skill development and livelihood enhancement;
- Educational support for children, women, senior citizens and differently abled persons.

**8.3 Women Empowerment and Social Inclusion**

- Promoting gender equality;
- Empowerment of women;
- Supporting homes and hostels for women and orphans;
- Supporting senior citizens;
- Measures for reducing inequalities faced by socially and economically backward groups.

**8.4 Environmental Sustainability**

- Environmental sustainability;
- Ecological balance;
- Protection of flora and fauna;
- Animal welfare;
- Agroforestry;
- Conservation of natural resources;
- Maintaining quality of soil, air and water;
- Climate-related sustainability initiatives.

**8.5 Heritage, Art and Culture**

- Protection and promotion of national heritage, art and culture;
- Restoration of buildings and sites of historical importance;
- Promotion and development of traditional arts and handicrafts;
- Establishment and support of public libraries.

**8.6 Support to Armed Forces**

- Measures for the benefit of armed forces veterans;
- Support to war widows and their dependents.

**8.7 Sports**

- Training to promote rural sports;
- Promotion of nationally recognized sports;
- Paralympic sports;
- Olympic sports.

**8.8 Government Relief and Welfare Funds**

Contribution to funds specified under Schedule VII, including funds established by the Central Government for socio-economic development and relief and welfare of disadvantaged communities, as may be permissible under law.

**8.9 Technology Incubators and Research**

Contributions or funds provided to technology incubators located within academic institutions approved by the Central Government and other activities specifically permitted under Schedule VII.

**8.10 Rural Development**

- Rural development projects;
- Community infrastructure;
- Livelihood development;
- Rural education and healthcare initiatives.

**8.11 Slum Area Development**

Development of slum areas in accordance with the applicable provisions of Schedule VII.

**8.12 Disaster Management**

Disaster management, including:

- Relief;
- Rehabilitation;
- Reconstruction; and
- Other activities relating to disaster management.

The above activities are indicative and shall always be read together with Schedule VII as amended from time to time. Schedule VII is intended to be interpreted broadly so as to capture the essence of the subjects specified therein.

## 9. PREFERENCE TO LOCAL AREA

The Company shall give preference to the local area and areas around which it operates for undertaking CSR activities, subject to the nature, scope and requirements of the CSR projects and the provisions of the Act and CSR Rules.

However, the Company may undertake CSR projects in any part of India if considered appropriate by the Board in the larger interest of society.

## 10. CSR ANNUAL ACTION PLAN

The Company shall formulate and approve a CSR Annual Action Plan for each financial year, wherever required under applicable law.

The Annual Action Plan may include:

a. list of CSR projects and programmes;
b. manner of execution of projects;
c. modalities of utilization of CSR funds;
d. implementation schedules;
e. monitoring and reporting mechanism;
f. details of need and impact assessment, wherever applicable;
g. estimated expenditure;
h. implementation timelines; and
i. such other matters as may be prescribed under the Act and CSR Rules.

The Board may alter the Annual Action Plan during the financial year, if justified by reasonable circumstances and in accordance with applicable law.

## 11. IMPLEMENTATION OF CSR ACTIVITIES

The Company may undertake CSR activities:

a. directly by itself;
b. through eligible implementing agencies registered with the Ministry of Corporate Affairs, wherever registration is required;
c. in collaboration with other companies, where permissible under applicable law; or
d. through such other legally permissible modes as may be prescribed.

Where CSR activities are undertaken through an implementing agency, the Company shall satisfy itself regarding the eligibility and credentials of such agency and shall obtain such documents, reports and utilization certificates as may be considered necessary.

The implementing agency shall utilize CSR funds strictly for the approved CSR projects and programmes.

## 12. CSR PROJECT SELECTION

While selecting CSR projects, the Company may consider the following factors:

a. relevance to Schedule VII;
b. needs of the beneficiaries;
c. social and environmental impact;
d. sustainability of the project;
e. geographical reach;
f. feasibility and availability of resources;
g. expected outcomes;
h. ability to monitor and evaluate the project; and
i. credibility and capability of implementing partners.

The Company shall endeavor to prioritize projects having measurable and sustainable outcomes.

## 13. PROHIBITED CSR ACTIVITIES

The following activities shall not be treated as CSR activities:

a. activities undertaken in pursuance of the normal course of business of the Company;
b. activities undertaken outside India, except to the extent specifically permitted under the CSR Rules;
c. contribution of any amount, directly or indirectly, to any political party under Section 182 of the Act;
d. activities benefiting exclusively the employees of the Company;
e. activities supported by the Company as part of statutory obligations under any law in force in India;
f. activities undertaken to fulfill contractual obligations or other statutory obligations; and
g. such other activities as may be excluded under the Act, Schedule VII or CSR Rules.

## 14. ONGOING PROJECTS

Where the Company undertakes an "ongoing project" as defined under the CSR Rules, the Company shall comply with the applicable provisions relating to:

a. project duration;
b. transfer of unspent CSR amounts;
c. utilization of the Unspent CSR Account;
d. monitoring and reporting; and
e. completion of the project within the prescribed period.

Any unspent CSR amount relating to an ongoing project shall be dealt with in accordance with Section 135(6) of the Act and the applicable CSR Rules.

## 15. UNSPENT CSR AMOUNT

Where the Company is unable to spend the CSR amount required to be spent during a financial year:

### 15.1 Ongoing Projects

The unspent amount relating to an ongoing project shall be transferred to the **Unspent CSR Account** within the period prescribed under Section 135 and shall be utilized in accordance with the Act and CSR Rules.

### 15.2 Other than Ongoing Projects

The unspent amount relating to projects other than ongoing projects shall be dealt with in accordance with the applicable provisions of Section 135 and the CSR Rules, including transfer to a fund specified in Schedule VII within the prescribed time period, wherever applicable.

The Company shall maintain appropriate records and documentation evidencing compliance with the statutory requirements relating to unspent CSR amounts.

## 16. CREATION OR ACQUISITION OF CAPITAL ASSETS

The Company may utilize CSR funds for creation or acquisition of capital assets only in accordance with the conditions and requirements prescribed under the CSR Rules.
Such capital assets shall be held by eligible entities, beneficiaries, public authorities or other persons/entities as may be permitted under the applicable provisions of law.

## 17. MONITORING AND EVALUATION

The Company shall establish an appropriate mechanism for monitoring CSR projects and programmes. Monitoring may include:

a. review of project implementation status;
b. verification of utilization of funds;
c. review of milestones and deliverables;
d. obtaining utilization certificates and supporting documents;
e. periodic reports from implementing agencies;

f. physical verification, wherever considered necessary;
g. review of social outcomes and impact; and
h. such other monitoring mechanisms as may be considered appropriate.

The Board shall have the authority to call for such information, reports and documents as may be necessary to assess the effectiveness of CSR initiatives.

**18. IMPACT ASSESSMENT**

Where the Company falls within the prescribed criteria for undertaking impact assessment, it shall undertake impact assessment of eligible CSR projects through an independent agency in accordance with the CSR Rules.

Presently, the CSR Rules require companies having an average CSR obligation of **₹10 crore or more in the three immediately preceding financial years** to undertake impact assessment of CSR projects having an outlay of **₹1 crore or more** and completed at least one year before the impact assessment.

The impact assessment reports shall be placed before the Board and disclosed/annexed as required under applicable law.

**19. CSR REPORTING AND DISCLOSURE**

The Company shall ensure appropriate disclosure of its CSR activities in accordance with the Act and CSR Rules. The Board’s Report shall contain the annual report on CSR in the prescribed format, wherever applicable.

The Company shall also disclose, as applicable:

a. CSR Policy;
b. composition of CSR Committee, if applicable;
c. CSR projects approved by the Board;
d. Annual Action Plan;
e. amount spent on CSR activities;
f. amount unspent, if any;
g. details relating to ongoing projects;
h. impact assessment reports, wherever applicable; and
i. other information prescribed under applicable law.

The CSR Policy and other required CSR disclosures shall be made available on the Company's website, if any, in accordance with the CSR Rules.

**20. RECORDS AND DOCUMENTATION**

The Company shall maintain appropriate records relating to CSR activities, including:

a. CSR Policy;
b. CSR Annual Action Plan;
c. Board and CSR Committee minutes, wherever applicable;
d. project proposals and approvals;

e. agreements/MOUs with implementing agencies;
f. utilization certificates;
g. invoices and supporting documents;
h. project progress reports;
i. photographs and other evidence of implementation, wherever appropriate;
j. impact assessment reports, wherever applicable; and
k. statutory CSR disclosures and filings.

Such records shall be maintained in accordance with applicable law and the Company's record retention practices.

**21. GOVERNANCE AND TRANSPARENCY**

The Company shall maintain transparency and accountability in the selection, implementation, monitoring and reporting of CSR projects. CSR funds shall be utilized only for approved CSR purposes and in accordance with applicable law. The Company shall endeavor to ensure that CSR activities are undertaken in an ethical, responsible and transparent manner.

**22. EMPLOYEE PARTICIPATION**

The Company may encourage employees to voluntarily participate in CSR activities, wherever feasible. Employee participation may include:

a. volunteering;
b. awareness programmes;
c. educational and skill-development initiatives;
d. environmental initiatives;
e. community development activities; and
f. other activities approved by the Company.

However, employee participation shall not result in expenditure being treated as CSR expenditure where such expenditure is not permissible under the Act or CSR Rules.

**24. REVIEW OF CSR POLICY**

The CSR Policy shall be reviewed periodically by the Board or CSR Committee, wherever applicable, to ensure that it remains aligned with:

a. the Company's CSR objectives;
b. community requirements;
c. business and sustainability considerations;
d. amendments to the Companies Act, 2013;
e. Schedule VII;
f. CSR Rules; and
g. circulars, notifications, clarifications and guidelines issued by the MCA or other competent authorities.
The Board may modify, amend or revise this Policy from time to time.

## 25. INTERPRETATION

In the event of any conflict or inconsistency between this Policy and the provisions of the Companies Act, 2013, Schedule VII, CSR Rules or any other applicable statutory provision, the provisions of law shall prevail.
Any matter not specifically dealt with under this Policy shall be governed by the applicable provisions of the Act and CSR Rules, as amended from time to time.

## 26. EFFECTIVE DATE

This Policy shall become effective from the date of its approval by the Board of Directors of the Company or such other date as may be determined by the Board.

## 27. CONCLUSION

Prizor Viztech Limited is committed to responsible corporate citizenship and shall endeavor to use its CSR initiatives to contribute meaningfully towards the sustainable development and welfare of society. The Company shall undertake CSR activities with integrity, accountability, transparency and a long-term orientation, while ensuring compliance with the Companies Act, 2013, Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.