



## **FAZE THREE LIMITED**

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

#### **Introduction:**

This policy has been framed in accordance with the provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility along with the Companies (Corporate Social Responsibility) Rules, 2014.

The Policy lays down the principles and mechanisms for undertaking various programs in accordance with the requirements provided under Section 135 of The Companies Act 2013, read with Schedule VII to the Companies Act 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014 (together referred as "Legal Provisions") and in line with the subsequent amendments released therein by the Ministry of Corporate Affairs and in future henceforth.

The CSR activities/projects shall be undertaken or donations shall be made by the Company to assist weaker and underprivileged sections of the society.

This policy shall apply to all CSR activities taken up by the Company for the benefit of different segments of the society.

#### **Strategy:**

To concentrate on CSR Programmes mainly around local communities/state where our factories are located.

To implement programmes directly or in collaboration with other associations/ trusts/NGO registered with concerned regulatory authorities who has expertise as well as establish presence in area for effective implementation of projects / use of funds.

The Company will abstain from carrying out the activities under CSR that may create dissatisfaction in any section of the Society.

#### **CSR Committee:**

CSR Committee will be a Board level committee known as Corporate Social Responsibility Committee. The constitution of CSR Committee is in accordance with the applicable provisions of the Act and comprises of the Managing Director, a Whole Time Director and an Independent Director. The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee comprising of 3(three) or more Directors out of which at least one Director shall be an Independent Director.



The CSR Committee comprises of the following Directors:

1. Mr. Ajay Anand, Chairman [Managing Director]
2. Mr. Sanjay Anand, Member [Whole Time Director]
3. Mr. Manan Shah, Member [Non-Executive Independent Director]

The composition of the CSR Committee may be changed by the Board of Directors of the Company.

The Committee shall formulate CSR Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII in the Act and shall monitor CSR Policy on annual basis;

The Committee shall formulate and recommend to the Board an annual action plan in pursuance of its CSR policy and as per the Act, for any projects or programmes initiated by the Company.

The Committee shall recommend the amount of expenses to be incurred in each CSR activity/project/program, modalities of utilization of funds and shall undertake monitoring and reporting mechanism for the CSR activities undertaken by the Company.

Though the overall supervision, monitoring, guidance will be provided by the CSR Committee, the actual implementation of various initiatives will be broad-based with the involvement of various employees/units of the Company or through implementing agencies like NGOs, Trusts, Section 8 companies or through collaborative projects with other corporates.

The Board of Directors of the Company shall,

- a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company; and
- b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

### **CSR Activities as per Schedule VII and CSR Rules:**

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4. Ensuring environmental sustainability, ecological balance, protection of flora fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents, \*Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
7. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
8. 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 Government for socio-economic development and relief and welfare of the Schedule Castes, Tribes, other backward classes, minorities and women;
9. \*(a) Contribution 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 Government or State Government; and

\*(b) Contributions 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 Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

10. Rural development projects;

11. Slum area development

Explanation. - For the purposes of this item, the term 'slum area' shall mean any area 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.

12. Disaster management, including relief, rehabilitation and reconstruction activities.

**Guidelines for CSR activities/projects/programs:**

The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of Section 135 of the Act.

The Company may decide to undertake CSR activities/projects/programs as may be recommended by the CSR Committee.

Provided that -

1. A Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee is in a position to report separately on such projects or programs in accordance with the CSR Rules;
2. The CSR projects shall be only taken up in India;
3. The CSR projects or programs or activities shall not only benefit the employees of the Company;
4. Company shall not contribute to any Political Party under CSR activities.

**Amount of expenditure to be incurred on the CSR activities:**

- The Company will endeavour to spend the following amounts for CSR activities in pursuance of this Policy:
  - i) In every financial year, at least 2(two) per cent of the “average net profits” of the Company made during the 3(three) immediately preceding financial years.

The “average net profits” shall be calculated in accordance with the provisions of section 198 of the Act.

- ii) any income or surplus arising out of the CSR activities.
- Amount spent on CSR activities shall include all expenditure including contribution to - corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.
- Any surplus arising out of the CSR activity will not be part of the business profits of the Company.
- The CSR Committee will approve the expenditure on CSR activities within the monetary limits sanctioned by the Board for such activities.
- If Company spends an amount in excess of requirement provided under sub-section (5) of section 135 of the Act, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 of the Act, up to immediate succeeding three financial years or such period as may be specified in the Act from time to time and subject to such conditions as may be required to be complied as per the Act.

**Guidelines for monetary contributions:**

The Company may decide to grant donations to a registered trust/ a registered society/ a company established by the company or its holding or subsidiary or associate company under section 8 of the Act/by such institutions as mentioned in the Act:

Provided that -

If such trust, society or company is not established by the company or its holding or subsidiary or its associate company, it shall have an established track record of three years in undertaking similar programs or projects;



**Accounting and Reporting:**

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee. The report will be presented to the Committee at the end of each financial year.

Any surplus arising out of CSR projects/programs/activities shall not form part of the business profit.

The Board's Report shall include CSR report in the prescribed format on an annual basis.

The contents of CSR policy shall be disclosed in the Board's Report and the same shall be displayed on the Company's website.

**Amendments to the CSR Policy:**

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the CSR Rules by the MCA, under the Act.

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\* The policy has been adopted on 11<sup>th</sup> February, 2022 as per the recommendations of the CSR committee.