



**NOVA INTEGRATED SYSTEMS LIMITED**  
**CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. Preamble**

Nova Integrated Systems Limited ("Company") is a company incorporated under the Companies Act, 1956. The purpose is to document the policy and principles of the Corporate Social Responsibility ("CSR") obligations of the Company, in compliance with the requirements of Section 135 of the Companies Act, 2013 ("Act") read with Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, (collectively referred as "Applicable Laws").

### **2. Definitions**

2.1 "CSR Activities" shall mean the projects and / or programmes undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this CSR Policy.

2.2 "Implementation Agencies" any other trust, society or company or any entity established under an Act of parliament or a state legislature or any other agency which is eligible to undertake CSR Activities, on behalf of the Company in compliance with the Applicable Laws and includes the Principal Implementation Agency

2.3 "Rules" means Companies (Corporate Social Responsibility Policy) Rules, 2014, or any other rules prescribed under section 135 of the Act and pertaining to corporate social responsibility, as may be amended and prescribed, from time to time.

### **3. Objective of the CSR Policy:**

The main objective of the policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development for the society and environment with a balanced emphasis on all aspects of CSR and Sustainability – equally with regard to its internal operations, activities and processes, as well as in their response to externalities to create community assets for the development of rural/urban society. In execution of each project, the Company will endeavour to create a model which is sustainable and replicable.

### **4. Guiding Principles**

The Company shall follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan:

4.1 In undertaking CSR Activities, the Company shall give preference to the local areas wherein the Company operates or has its offices i.e. areas in the vicinity of its factories.

4.2 The Company shall undertake only such CSR Activities, A) as are identified as Focus Areas under this Policy and B) as are permitted under the Applicable Laws. The Company shall also consider international, national, or state level priorities/ objectives, while identifying CSR Activities.

4.3 The Company shall not discriminate against the beneficiaries of the CSR Activities, on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR Activities to benefit the economically or socially weaker, or marginalised sections, of the society.



4.4 The Company shall endeavour utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.

4.5 The Company shall ensure that all CSR Activities undertaken directly or indirectly, meet applicable standards of quality followed by Company and/or are the market standard for such activities.

4.6 The Company shall either undertake the project directly or preferably through Implementation Agencies and shall to its best of its ability also ensure that the partners or vendors selected by the Company or the Implementation Agency, satisfy the criterion specified by the Rules (if any) and have relevant experience, good credentials, no criminal track record, and follow the ethical standards which are at par with the Tata Code of Conduct.

4.7 The Company shall ensure that all the CSR Activities are implemented as per the approved Annual Action Plan, authorised by the Board.

## 5. Focus Areas

5.1 The Company will be at liberty to choose its CSR programs as considered and included in the list of CSR activities in Schedule VII to the Act.

5.2 The CSR programs of the Company will be synergized with the initiatives of Tata Advanced Systems Limited, the holding company. While identifying the CSR projects, priority and focus shall be to the local areas and areas around which the Company operates.

5.3 Other areas as reviewed and deemed appropriate by the Board and the CSR Committee may also be included in the list of CSR programs that the Company undertakes, from time to time.

## 6. CSR Expenditure

6.1 Every year the Company shall spend atleast 2% of its average Net profit as defined under the Rules (“CSR obligation”) during the three immediately preceding financial years, on the CSR Activities as per approved Annual Action Plan.

6.2 The Company shall not consider any administrative expenses, except the cost of Impact Assessment, in meeting its CSR obligation, provided that, such costs shall not exceed the cap for such impact assessments, prescribed under Applicable Laws.

6.3. Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.

6.4. In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the ‘Unspent Corporate Social Responsibility Account’, and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.



6.5. Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profits of the Company and shall be utilized towards the eligible CSR Activities / addressed in accordance with Applicable Laws.

## **7. Approval of CSR Activities**

7.1 The CSR Activities to be undertaken by the Company under this Policy shall be approved by way of Annual Action Plan by the Board on the recommendation of the CSR Committee.

7.2. The Annual Action Plan shall, inter alia, contain the following information with respect to the CSR Activity proposed to be undertaken by the Company: i) list of CSR Activities to be undertaken in the relevant financial year; ii) local area where the CSR Activities are to be undertaken; iii) manner of execution; iv) modalities of utilisation of funds; v) implementation schedule; vi) monitoring and reporting mechanism; and vii) details of need and impact assessment, if any.

7.3. The Board on the recommendation of the CSR Committee shall be the absolute authority to update, alter, modify, amend, withdraw and replace the Annual Action Plan for justified reasons

## **8. Governance and Monitoring Process**

The Company has a well-defined and robust governance structure to oversee the implementation of the CSR Policy and monitoring of CSR projects as per the requirements of Section 135 of the Act.

8.1 Board-level CSR Committee – The Board Level Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for formulating and recommending to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect. The CSR Committee reports to the Company's Board of Directors.

8.2 The CSR Annual Action Plan shall include the following: -

- (a) the list of CSR projects or programmes 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 programmes,
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes,
- (d) monitoring and reporting mechanism for the projects or programmes and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

8.3 Implementation of the CSR programs / initiatives of the Company shall be reviewed and monitored by the duly constituted CSR Committee of the Board as per the requirements of the Act.

8.4 This CSR Policy document will be reviewed from time to time and any changes, if necessary, will be approved by the Board. This CSR Policy document will be reviewed from time to time and any changes, if necessary, will be approved by the Board.

## **9. Disclosures**



9.1 The CSR Policy of the Company shall be uploaded on the Company's website for information of all stakeholders.

9.2 Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.

## **10. Miscellaneous**

10.1 This Policy shall remain in force unless amended or withdrawn.

10.2 The Board may, on the recommendation by the CSR committee and in accordance with Applicable Laws, alter, amend, review, substitute this Policy as and when required without any prior intimation to any stakeholder for justified reasons.