



CORPORATE SOCIAL RESPONSIBILITY(CSR) POLICY OF **WEP SOLUTIONS LIMITED**

1. Preamble:

Corporate Social Responsibility ("CSR") is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

WeP Solutions Limited ("the Company") is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 ("Act") and related rules made thereunder.

This CSR policy ("CSR policy") covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategies that defines plans for future CSR activities.

2. Objectives

The objective of the CSR policy is to:

- To develop a strategy for the Company's CSR objectives.
- To establish relevance of potential CSR activities to the Company's core values and create an overview of activities to be undertaken in line with Schedule VII of the Act.
- To establish a process and mechanism for the implementation and monitoring of the CSR activities for the Company.

3. Constitution

Pursuant to the provisions of Section 135 of the Act and the regulation in India in the title of "Companies (Corporate Social Responsibility Policy) Rules, 2014" ("CSR Rules"), the CSR Committee, when required as per the Act, shall be formed. Currently, the company is not required to form a committee since the amount to be spent as CSR expenditure does not exceed Rs. 50 lakhs. The Board of Directors hereby authorize and empowers the Managing Director of the Company to constitute or reconstitute the CSR committee ("CSR Committee"). Members of the CSR Committee may be replaced by any other member, subject to the approval of the Managing Director of the Company.

4. Duties and Responsibilities of the Board/ CSR Committee

The following are the duties and responsibilities of the Board/ CSR Committee:

- (a) formulate a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities as mentioned in Schedule VII;
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

The CSR Committee/ Board shall also formulate an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- (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:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

5. Responsibilities of the Board of Directors

The Board of the company shall, —

- (a) after considering the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
- (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

The Board shall ensure that the company spends, in every financial year, at **least two per cent. of the average net profits of the company made during the three immediately preceding financial year**, or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.

6. CSR Expenditure

The Board of the company shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial year, or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or 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 specified in Schedule VII, within a period of six months of the expiry of the financial year.

Where the company spends an amount in excess of required amount such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- (ii) the Board of the company shall pass a resolution to that effect.

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

7. Unspent Amount

Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

8. CSR Activities:

The Company if proposes to implement its CSR activities, as determined by the Board of the Company, in certain of the various sectors stated hereunder, which fall within the purview of the Schedule VII of the Act:

- i) 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.
- ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv) 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- v) 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.
- vi) 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;
- vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- 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.

- ix) (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) Contribution 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 Organization (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).
- x) Rural development projects
- xi) 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.)
- xii) Disaster Management including relief, rehabilitation and reconstruction activities.

The Company will review the sectors from time to time and make additions, deletions or clarifications to the above sectors.

9. CSR Reporting

The Board of Directors, in its annual report shall include the details of the CSR activities undertaken in the financial year.

The Board's Report of a company covered under the CSR rules pertaining to any financial year shall include an annual report on CSR containing particulars as applicable.

(a) If the company has average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

10. Website Display

The Company shall display on its website the contents of its CSR Policy and other information as may be required to be displayed as per the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

11. Monitoring Mechanism

- i. The CSR Committee/Board shall be appraised for the implementation of the CSR activities and the progress shall be monitored on a regular basis.
- ii. The Company shall implement, through its internal controls, monitoring and evaluation systems, assess, document and report the impact of its CSR activities/projects.
- iii. Records relating to the CSR activities and the CSR expenditure shall be accurately maintained.

12. Amendment

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.