

# Wave Industries Private Limited Corporate Social Responsibility Policy

## (“CSR Policy”)

This Corporate Social Responsibility Policy (“CSR Policy”) has been framed by Wave Industries Pvt. Ltd. (“Company”) in accordance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs.

Unless the context otherwise requires, the definitions mentioned in the notification dated February 27, 2014 and Companies Act 2013, shall apply to this CSR Policy.

## Company Philosophy for CSR Policy:

The Companies Act, 2013 has officially incorporated Corporate Social Responsibility (CSR) into the regulatory framework for Indian companies. Wave Industries Private Limited expresses a favourable stance and commends the decision made by the Government of India in this regard. The legal framework governing CSR represents a distinct advantage for corporations in adopting a philanthropic or reformative approach towards the society to which they belong. By introducing a dedicated section for CSR within the Companies Act, 2013 signifies the government's formal acknowledgment and endorsement of the corporate community's commitment to societal development.

The management of the Company expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

## CSR Policy and its objectives:

CSR Policy means a statement containing the approach and direction given by the Board of Directors of the company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan

The Company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objective. The vision of the Company is “to actively contribute to the social and economic development of the communities in which it operates”. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index

## Corporate Social Responsibility Committee:

In accordance with the provisions of Companies Act, 2013 and the Rules framed thereunder, the Board of Directors of Company has constituted Corporate Social Responsibility Committee (“the Committee”) for undertaking the CSR activities in the areas stated under Schedule VII to the Act comprising of following Directors

|                                    |            |
|------------------------------------|------------|
| 1. Mr. Davinder Singh Bindra       | - Chairman |
| 2. Mr. Prem Prakash Khurana        | - Member   |
| 3. Mr. Venkat Ram Reddy Busi Reddy | - Member   |

The Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

## 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:

- (i) The CSR committee shall be responsible for the selection, implementation and monitoring of CSR activities of the Company subject to the approval of the Board of Directors of the Company.
- (ii) Selection of activities for CSR purpose shall be strictly as per the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereof and rules made thereunder. The Company may, for its CSR purpose, undertake any activity as may be specifically allowed by the government through notification or otherwise.
- (iii) Preference shall be given to the local area and areas around the locations/plants/offices from where the Company operates or has its offices. However, in appropriate cases, other areas may be considered for undertaking CSR activities. The area of operation for undertaking CSR activities will be restricted to the territorial jurisdiction of India
- (iv) To ensure that all the CSR Activities are implemented as per the approved Annual Action Plan.

## CSR Activities:

The Company shall identify following areas /sectors for its CSR spending to pursue the said activities under CSR policy of the Company under section 135 of the Companies Act, 2014, Schedule VII and other applicable rules, regulations, notifications etc., issued/ to be issued from time to time.

### **In accordance with Schedule VII of Companies Act, 2013 Company's CSR Activity will focus on:**

- (i) Eradicating hunger, poverty and malnutrition, [“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.
- (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 centres 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 recognised 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) 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 Defence 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).]
- (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.

### Activities not to be considered as CSR activities:

Statutory obligation laid down in Section 135 of the Act and in accordance with the provisions contained in the Rules related to CSR Activities, shall not include the following:

- ✓ Activities undertaken in the normal course of company business.
- ✓ Activities undertaken by a company outside India except for training of Indian sports personnel representing India at the international level or Union or State territory at the national level.
- ✓ Contribution of any amount indirectly or directly to any political party under section 182 of the Act.
- ✓ Activities benefiting employees of the company defined in Section 2(k) of the Code on Wages, 2019.
- ✓ Activities supported by a company on a sponsorship basis to derive marketing benefits for its services or products.
- ✓ Activities carried out to fulfill other statutory obligations under any law in force in India.

### Budget for CSR Activity & CSR Expenses:

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years. The administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year. The Company may allocate more fund/ amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective financial year.

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 its CSR Committee. Any excess amount spent on CSR may be set off against the CSR expenditure to be incurred in immediate succeeding three financial years in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder

### **Identification of activities/ projects:**

Out of approved CSR activities, the Committee shall decide which activity/ project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Committee shall analyses the basic need of the community/ area in which the Organization operates or at the place where its registered office/Corporate office is situated.

### **Mode of Implementation:**

The CSR Activities may be undertaken by the Company directly itself or through any of the following entities as “Implementation Agency” being duly registered with the Central Government and having a unique CSR Registration Number

1. Company established under section 8 of Indian Companies Act 2013, or Trust or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company;
2. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government;
3. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar CSR activities; or
4. Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature.

### **Organizational Responsibility:**

At organizational level for implementation of agreed CSR activity, the committee may constitute an implementation team or authorized any of the Department of the Company to organize for the implementation of the CSR activity. The team or respective department shall monitor the implementation process from time to time, on behalf of the CSR committee. The respective department or implementation team would be responsible for reporting of any irregularity to the Committee on immediate basis.

## **Responsibilities of the CSR Committee:**

1. Formulate and recommend to the Board of Directors of the Company:
  - a) The CSR Policy of the Company which shall indicate the activities to be undertaken by the company as specified in Schedule VII and Section 135 of the Companies Act 2013.
  - b) The Annual Action Plan in pursuance of the CSR Policy, which shall include the list of CSR programmes or projects approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
2. Recommend the amount of expenditure to be incurred on CSR activities in a financial year.
3. To monitor the Corporate Social Responsibility Policy of the company from time to time
4. Monitor the CSR Policy and the Annual Action Plan for the CSR activities of the Company from time to time and recommend the Board to modify the Annual CSR Action Plan at any time during the financial year

## **Role of Board of Directors:**

1. The Board of Directors shall, after considering the recommendations made by the CSR committee, approve the CSR policy and the Annual Action Plan.
2. The Board of Directors shall endeavor that the Company spends 2% of the average net profit of the company made during the three immediately preceding financial years. The net profit would be computed in accordance with Section 198 of the Companies Act, 2013.
3. The Board of Directors shall constantly monitor the implementation of the CSR activities. The Board shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency.
4. The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.
5. The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
6. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
7. The Board of the Company shall ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.

## **Management Commitment:**

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Our CSR policy conforms to the section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 made under and amendment(s) to be made thereto in future.

## **Annual Reporting:**

The Board's report of the Company for every financial year commencing from 1<sup>st</sup> day of April shall include a report on CSR containing particulars as specified by Companies Act, 2013 and the rules made under

## **Amendment:**

Any Amendment in the Act and/or Rules issued by the Government from time to time shall be deemed to be suitably incorporated from the date these are applicable on the Company. In the event of any conflict between any of the provision of this Policy and the Act or rules framed thereunder or any other statutory enactments, the provisions of such Act or rules or statutory enactments shall prevail over this Policy

The Board may amend, alter, revise, or modify any or all the clauses of this Policy on the recommendation of CSR Committee and as per provisions of the Companies Act, 2013 and rules made thereunder

## **General:**

In case of any ambiguity or clarification with regard to any provision of CSR Policy and in respect of any matters not covered herein, a reference may be made to the Committee. In all such matters, the interpretation and decision of the Committee shall be final.

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.

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