

CORPORATE SOCIAL RESPONSIBILITY POLICY

POLICY OBJECTIVE

Corporate Social Responsibility (CSR) has been a strong-standing commitment at MosChip Technologies Limited (the "Company") and forms an integral part of our activities. Accordingly, Corporate Social Responsibility ("CSR") Policy is rooted in the Company's core values of quality, reliability and trust guided by best practices, and driven by our aspiration for excellence in the overall performance of our business. Through its various initiatives, the Company endeavors to play a relevant role by serving society and programmes that address gaps in basic societal requirements

The Company recognizes that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged.

The CSR policy of the Company is aligned to the following guidelines:

- (i) The requirements of Section 135 of the Companies Act, 2013;
- (ii) The Companies (Corporate Social Responsibility Policy) Rules, 2014; and
- (iii) Schedule VII of the Companies Act, 2013.

The CSR committee may recommend to the Board of Directors additional CSR initiatives, based on specific merit, provided that those projects fall under the scope of Schedule VII of the Companies Act, 2013, as may be amended from time to time.

APPLICABILITY

This CSR Policy is applicable to the Company, which is mandated with the CSR expenditure obligations as per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board is responsible for:

1. Approving the CSR Policy as formulated by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
2. Ensuring that in each financial year the Company spends at least 2% of the average net profit, excluding profits arising from overseas branches and dividend received from other companies in India which are covered under and complying with the provisions of Section 135 of the Act, made during the three immediate preceding financial years or such other amount as may be stipulated in accordance with the provisions of section 135 of the Act and the Rules notified thereunder.

3. Ensuring that any entity that is permitted under the statute to undertake CSR activities and through which the company intends to implement its CSR activities is registered with the Central Government.
4. Ensuring that in every financial year funds committed by the Company for CSR activities are utilized effectively and for the purpose(s) for which it was approved and which shall also be certified by the Chief Financial Officer/person responsible for financial management of the company in such manner as stipulated under the Act read with the Rules framed thereunder.
5. Ensuring that multiyear projects (“ongoing projects”), if any, undertaken by the company do not extend beyond the period mentioned under the Act read with the Rules framed thereunder.
6. Monitoring ongoing projects undertaken by the company, if any, with respect to approved timelines and annual fund allocation and making any modifications that it considers necessary for the smooth implementation of such projects within the permissible time period.
7. Ensuring that administrative overheads do not exceed the limits of percentage of the total CSR expenditure for the financial year.
8. Disclosing in its Annual Report the names of CSR Committee members, the contents of the CSR Policy, the projects approved by it and all other matters as required under the Act and the Rules made thereunder, including any amendments thereto.
9. Disclosing on the Company website the names of CSR Committee members, the contents of the CSR Policy and the projects approved by it in such manner and to the extent required under the Act read with the Rules framed thereunder.
10. Reporting in its Report to the Members the reasons for failure if any to spend the stipulated amount during the financial year towards CSR activities.
11. Any other acts, deeds and things as may be required under law from time to time in such manner and to the extent required under the Act read with the Rules framed thereunder.

CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Board of Directors of Company has formed a Corporate Social Responsibility Committee (the “CSR Committee”) in line with section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee of the Company is responsible for:

1. Formulating and recommending to the Board the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act and the Rules framed thereunder, as amended from time to time.
2. Formulating and recommending to the Board an annual action plan that shall provide list of projects approved to be undertaken under the Company's CSR policy including the manner in which such projects may be implemented, the modalities of utilization of funds and implementation schedule, monitoring and reporting mechanism for such projects as also specifying projects that may need an impact assessment, where applicable, in accordance with the provisions of the Act and the Rules framed thereunder as amended from time to time.
3. Recommending to the Board the CSR expenditure to be incurred during a financial year.
4. Recommending to the Board, modifications to the CSR Policy as and when required.
5. Regularly monitoring the implementation of the CSR policy.

CSR BUDGET AND UTILIZATION

The CSR Committee will recommend the annual budgeted expenditure to the Board for its consideration and approval and which amounts shall be utilized in accordance with the CSR Policy.

The Company will undertake its CSR activities, approved by the CSR Committee either on its own or, through such other entity / organization (which is eligible for taking CSR Contribution).

The unspent CSR amount, if any, arising out of the CSR projects or programmes or activities will not form part of business profit of the Company.

TREATMENT OF UNSPENT AMOUNT

1. In respect of other than ongoing projects:

In case of any unspent amount is arising in any financial year out of the CSR projects, other than ongoing projects, such unspent amount shall be transferred within six months from the end of the financial year to any fund specified in Schedule VII of the Companies Act, 2013 or to such specific fund as may be prescribed from time to time for this purpose under the Companies Act, 2013 or Rules thereunder.

2. In case of ongoing projects:

Where the unspent amount is in respect of any ongoing project, the company shall within thirty days from the end of the financial year (or such other period as may be specified) transfer such unspent amount to a separate account called Unspent Corporate

Social Responsibility Account to be opened in any scheduled bank by the company for that financial year. The company shall utilize such unspent amount for the ongoing projects within a period of three financial years from its transfer, failing which such amount shall be transferred to any fund specified in Schedule VII of the Companies Act, 2013 or to such specific fund as may be prescribed from time to time for this purpose under the Companies Act, 2013 or Rules framed thereunder within 30 days from the end of the third financial year.

TREATMENT OF SURPLUS AMOUNT:

Any surplus amount, arising out of CSR activities will not form part of the business profit of the Company.

SET-OFF OF EXCESS CSR AMOUNT SPENT:

Subject to the Board of Directors passing a resolution to that effect, any amount spent by the company in excess of the CSR requirement for the financial year, excluding surplus arising out of CSR activities, may be set-off against the CSR amount to be spent by the company in the immediate three financial years.

PROJECT IDENTIFICATION AND SELECTION CRITERIA

1. Projects to be undertaken shall be in line with Section 135 read with Schedule VII of the Act and the Rules made thereunder, as amended from time to time.
2. For selection of any project, the scope, environmental impact, cost, timelines, sustainability, visibility of the Company and other relevant factors needs to be evaluated
3. The authorized official in charge of CSR activities shall submit a detailed proposal before the CSR Committee for consideration regarding the projects to be implemented. The CSR Committee, after due evaluation of the projects and competency, cost, credibility etc., shall accord necessary approval and recommend the same to the Board of Directors.

MONITORING AND REPORTING FRAMEWORK

Company's CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the approved projects. The annual budget and list of CSR projects and activities shall be presented to the CSR Committee for its approval.

In compliance with the Act and to ensure funds spent on CSR projects and activities are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework would be followed in compliance with the provisions of the Act.

ACQUISITION OF CAPITAL ASSETS:

The company may utilize the CSR amount to create or acquire a capital asset which shall be held by an entity as specified under the Act and the Rules framed thereunder as amended from time to time

IMPACT ASSESSMENT

If the Company having average CSR obligation of Rs.10.00 Crores or more in pursuance of Section 135(5) of the Companies Act, 2013, in the 3 immediately preceding financial years, shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of Rs.1.00 Crore or more, and have been completed not less than 1 year before undertaking the impact study.

AMENDMENTS IN LAW

Any subsequent amendment / modification to the CSR provisions as contained under the Act or Rules framed thereunder or other applicable laws in this regard shall automatically apply to this Policy and the Policy shall be deemed to have been amended accordingly.