

## CSR policy (Approved by the board of directors on July 21, 2014) Corporate Social Responsibility Policy & Vision Document

### Abstract:

The document outlines the Vision and Policy of Satyam Venture Engineering Services Private Limited (Satven) towards Corporate Social Responsibility, in accordance with Section 135 of the Companies Act 2013 and the Rules thereunder.

### Introduction

Satyam Venture Engineering Services Private Limited is a high-end Automotive Engineering Solutions provider offering services ranging from Design Engineering, CAE & CFD Simulation, Process Engineering, Reverse Engineering, Product Data Management (PDM), Knowledge Based Engineering and Software Customization. With sales and marketing offices located in United States, Germany, Japan and China, Satven is a preferred solutions provider for several top global automotive OEMs and Suppliers.

### Vision

The CSR vision of Satven is “**Community development through Education.**”

For Satven, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive and sensitive towards the differently abled.

Satven shall implement this primarily through TMF,(Section 25 Company set up under the Companies Act 1956).

→ TMF, through vibrant and innovative partnerships with the government, NGOs, CBO's and other organisations, will promote quality education and employability for vulnerable sections of the society.

### Objectives

The **objectives** of this Policy are to:-

- Demonstrate commitment to the common good through responsible business practices and good governance.
- Actively support and be part of the state's development agenda to ensure sustainable change.
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

- Engender a sense of empathy and equity among employees of Satven to motivate them to give back to the society.

### Applicability and Commencement

1. Satyam Venture Engineering Services Pvt. Ltd's (hereinafter referred to as the Company) CSR Policy has been developed in consonance to Section 135 of the Companies Act 2013 (referred to as the Act in this Policy) on CSR and in accordance with the CSR Rules (hereinafter referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.
2. The Policy shall apply to all CSR Projects/Programmes undertaken by the Company in India as per Schedule VII of the Companies Act, 2013.
3. This Policy shall be applicable to Satven with effect from 1<sup>st</sup> April, 2014.

### Budget

CSR Committee will recommend the annual budgeted expenditure to the Board for its consideration and approval.

### Focus Areas

Satven will implement its CSR activities in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereunder.

CSR focus area for Satven shall be primarily promotion of **Education**. Within this broad theme specific areas such as school education, education for employment and technical education are included. Persons with disability and Women's Empowerment are cross-cutting themes in these focused areas. The interventions in these thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged and vulnerable and marginalized population.

### Implementation

The Company's CSR Programmes will be identified and implemented according to the Board's approved CSR Policy. This CSR Policy builds on the learnings from and good practices of the Company's ongoing CSR activities. The CSR Policy would have its monitoring and evaluation mechanism so as to ensure every programme has:

- I. clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and timelines.
- II. a robust progress monitoring system
- III. impact assessments

IV. a reporting framework and system in alignment with the Act and Rules.

The Company will implement its CSR Programs primarily through TMF, (Section 25 Company set up under the Companies Act 1956).

## Roles and Responsibilities

### Board

The Board of Satven would be responsible for:

- approving the CSR Policy as formulated by the CSR Committee
- ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation excluding profits arising from Overseas Branches made during the three immediate preceding financial years.
- ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively and monitored regularly.
- disclosing in its Annual Report the composition of CSR Committee, details of CSR spent during the year and such other information in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules 2014.

### CSR Committee

- I. Composition of the CSR Committee: The Committee will consist of three or more Directors.
- II. The CSR Committee of the Company would be responsible for:
  - formulating the CSR Policy in accordance with the Section 135 of the Companies Act, 2013.
  - identifying activities to be undertaken as per Schedule VII of the Companies Act, 2013.
  - recommending to Board the CSR expenditure to be incurred.
  - recommending to Board, modifications/amendments to the CSR Policy as and when required.
  - regularly monitoring the implementation of the CSR Policy/Programmes.
- III. The Company Secretary will act as Secretary to the Committee and assist the committee in discharge of its functions.

## Monitoring and Reporting Framework

Satven's CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities done by TMF. The Committee would, in turn, recommend this to the Satven Board for its final approval.

In compliance with the Companies Act, 2013 and to ensure the funds spent on CSR programs are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework would be put in place. The Monitoring and Reporting mechanism is divided into three distinct areas:

- I. Programme Monitoring
- II. Evaluation
- III. Reporting and Documentation

### Programme Monitoring

- I. Programme monitoring mechanism will ensure:
  - the CSR Policy is implemented in accordance with the provisions of the Companies Act, 2013 and its Rules.
  - The CSR Policy is implemented ensuring that all projects / programs as budgeted are duly carried out.
- II. CSR spends would be closely monitored and funds shall be released against verified utilizations as per the approved work plans.
- III. CSR spends would be subject to audit.
- IV. Quarterly Report and Review by the CSR Committee and half yearly reviews by the Board.

MIS monitoring mechanism and evaluation plan will be put in place.

- V. Expected outcomes would be clearly defined for each programme as per stated timelines.

### Documentation and Reporting

The CSR Committee will ensure preparation of the annual CSR Report for inclusion in the Board's Report. This report will be in compliance to the prescribed format given under the Companies (Corporate Social responsibility Policy) Rules 2014.