

COMPUAGE INFOCOM LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR)
POLICY

BACKGROUND

At the outset, CSR activities at Compuage Infocom Limited (hereinafter referred to as “**the Company**”) are already in existence for the benefit of the environments by way of plantation of plants in surrounding area, donations to various agencies which carry out educational and healthcare activities, etc.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability. Further, CSR makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

OBJECTIVE

The main objective of the Corporate Social Responsibility Policy (hereinafter referred to as “**the CSR Policy**”) is to make CSR a key business process for sustainable development of the society.

CSR Policy of the Company intends to:

- Act as a good corporate citizen and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.
- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company’s actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

PURPOSE

The CSR Policy has been developed in accordance with section 135 of the Companies Act, 2013 (hereinafter referred to as “**the Act**”), on CSR and in accordance with the CSR rules and amendments duly notified by the Ministry of Corporate Affairs, GOI. This Policy shall apply to all CSR projects / programmes undertaken by the Company as per Schedule VII of the Act.

The objectives of this policy are to:

- Serve as the principal guiding document for the Company’s CSR initiatives.
- Describe core programmatic themes and related impact areas as per Schedule VII.
- Outline projects and geographies for undertaking CSR initiatives.
- Provide the framework for selection, implementation, governance, management and monitoring of CSR initiatives and formulation of the Annual Action Plan.

MEASURES

The CSR Policy of the Company is broadly framed taking into account the following measures:

1. The CSR activities shall be undertaken by the Company as stated in the CSR Policy, as projects or programs or activities, excluding activities undertaken in pursuance of its normal course of business.
2. The CSR activities which are exclusively for the benefit of the Company’s employees or their family members shall not be considered as CSR activity.
3. The Company shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.
4. The Board of the Company may decide to undertake its CSR activities as recommended by the CSR Committee pursuant to Section 135 of the Act and the rules made thereunder, as amended from time to time.

LIST OF ACTIVITIES FOR CSR WORK

The following is the list of CSR projects or programs which the Company, on selective basis, plans to undertake in the phased manner as project or one time activities pursuant to Schedule VII of the Act:

- i. eradicating hunger, poverty and malnutrition, promoting 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 arts 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 Government for socio economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women.
- ix. 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 the State Government.
- x. 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 Defense 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).

- xi. rural development projects.
- xii. slum area development.
- xiii. disaster management, including relief, rehabilitation and reconstruction activities.
- xiv. any other measures with approval of the Board on the recommendation of CSR Committee subject to the provisions of Section 135 of the Act and the rules made thereunder, as amended from time to time.

CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of the Company shall constitute a CSR Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The CSR Committee shall –

1. Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the Company in areas or subjects, specified in Schedule VII of the Act.
2. Recommend the amount of expenditure to be incurred on the activities.
3. Monitor the CSR Policy of the Company from time to time.

The Board of the Company shall after taking into account the recommendations made by the CSR Committee, approve the CSR Policy and disclose contents of such Policy in its report and also place it on the Company's website and ensure that the activities as are included in the CSR Policy of the Company are undertaken by the Company.

MODE OF IMPLEMENTATION:

CSR activities may be initiated / implemented / executed by the Company directly; or through –

- i. A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company, or

- ii. A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government, or
- iii. Any entity established under an Act of Parliament or a State legislature, or
- iv. A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

In the event the Company undertakes CSR activities through a third party entity as set out above, the Company shall ensure that such entities have obtained a unique CSR Registration Number in accordance with the Rules, if such CSR project or program is approved and undertaken after 1st April, 2021.

The Company may also collaborate with other companies for undertaking CSR projects or programs or activities in such a manner that the CSR committees of the respective companies are in a position to report separately on such projects or programs in accordance with the Act and the rules made thereunder, as amended from time to time.

The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programs as per the CSR policy as well as for capacity building of their own personnel for CSR.

The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify the same.

In case of Ongoing Project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.

OUTLAY AND FUNDING

1. A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during

- the three immediately preceding financial years, in pursuance of the CSR Policy.
2. Approving authority for the CSR amount to be spent would be any one Director or the Managing Director or Chief Financial Officer of the Company after due recommendation of CSR Committee and approval of the Board.
 3. Any surplus arising out of the CSR activity will not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account in accordance with section 135 of the Act, and spent in pursuance of the CSR Policy and annual action plan of the Company or the Company shall transfer such surplus amount to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
 4. The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
 5. 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 the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.
 6. Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.
 7. The administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for the financial year.
 8. Where the Company spends an amount in excess of requirement provided under sub-section (5) of Act, such excess amount may be set-off against the requirement to spend under sub-section (5) of section 135 of the Act up to the immediately succeeding three financial years subject to the conditions that –
 - (a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of Point No. 4 above, and
 - (b) the Board shall pass a resolution to that effect.
 9. The CSR amount may be spent by the 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 in accordance with the rules, 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 the 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 requirements set out above, which

may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

10. In the event the Company undertakes impact assessment in accordance with the Act and the rules made thereunder, it may book the expenditure incurred on such impact assessment towards CSR for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

MONITORING

It will be the responsibility of the CSR Committee to monitor periodically the implementation of the projects / programs / activities under the CSR Policy and to ensure compliance of the provisions related to CSR mentioned in the Act and the rules made thereunder from time to time. The progress of CSR initiatives and activities will be reported by the CSR Committee to the Board on a regular basis.

REPORTING

The CSR Committee shall maintain proper minutes of all its meetings.

The Board's report of the Company shall include an annual report on CSR containing the particulars such other details as may be prescribed from time to time under the Act and the rules made thereunder.

In respect of the reporting, the Board will be responsible to ensure that:

- (i) The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the rules made thereunder, as amended from time to time.
- (iii) The contents of the CSR Policy along with composition of the CSR committee, and projects approved by the Board are also made available on the website of the Company.
- (iv) In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

GUIDING PRINCIPLES AND MANAGEMENT COMMITMENT

Relevance

Projects should be need-based, keeping local issues into consideration.

Outcome Orientation

Projects will be designed with clear objectives, planned outcomes and a suitable monitoring and reporting framework. All projects will be periodically reviewed for course correction, wherever necessary.

Sustainability

- Projects should be designed for creating a long-term impact. An incremental expansion approach may be deployed if required. They should incorporate multiplier effects. Projects should ideally be replicable for subsequent coverage in other regions.
- Implementation partners should be carefully selected after due assessment of their local credibility, local knowledge, domain expertise, local institutional relationships and their approach to sustainability.
- Provisions of community participation should be built-in. Community ownership and co-financing wherever required may be introduced in a progressive manner in suitable time frames necessary for communities to accept and adopt the initiatives. This will create understanding among communities on expectations, risks, roles and responsibilities.
- There should be due consideration of any material risk factors before selecting, initiating and during implementation of projects. These risks should be duly mitigated and managed on a regular basis.

The Board, management and all of the 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.

ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of the CSR Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism, etc.

The Board of Directors may approve the Annual Action Plan with such further conditions as it deems fit and further alter it at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

AMENDMENTS

Any modification / amendment in the CSR Policy may be carried out by the Board on the recommendation of the CSR Committee of the Company. The Policy will be subject to change as per the Act and the rules made thereunder, other applicable laws, rules, regulations and government guidelines.

COMPLIANCE WITH COMPANIES ACT, 2013

The CSR Policy conforms to Section 135 of the Act and the rules made thereunder, as amended from time to time, on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, GOI.