

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **1.0 OVERVIEW:**

Corporate Social Responsibility (CSR) demands continuing commitment by businesses to contribute towards social and economic development of the society. The corporate sector controls the significant portion of society's resources and therefore, it is imperative that the entities must act as a responsible corporate citizen and balance their right to grow with their responsibilities towards society and environment. CSR acknowledges the debt that a corporate owes to the community within which it operates as a stakeholder and also defines the business corporation's partnership social action groups in providing resources to support development plans, especially among disadvantaged communities.

CSR has also been embedded in the Company's Vision Statement, which states "*We will seek to play a key-role in the directions and deployment of technology and know-how for the benefit of Mankind*".

### **2.0 THRUST AREA:**

Schedule VII of the Companies Act, 2013, as amended, specified the following permissible CSR activities:

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and 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;
- (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;
- (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 any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects.

For the purpose of implementing CSR efforts of the Company in continued and effective manner in accordance with the statutory specifications and Company's Vision, Education, Training, Skill Development and Funding Technology Incubators has been identified as the thrust areas for the action.

Apart from above, Company may also take initiatives in the following domain:

- a) Environment Protection
- b) Social / Women Empowerment
- c) Community Welfare
- d) Upliftment of standards of society

### **3.0 OBJECTIVES OF THE CSR POLICY:**

This CSR Policy shall aim to achieve the following:

- a) Initiate welfare measures for society at large, so as to ensure that its poorer section derives the maximum benefit;
- b) Achieve Sustainable Development for all segments of the communities for enhancing value creation in society;
- c) Reach the unreached, uncared and unattended segments to ensure inclusive development in India;
- d) Reflect social responsibility of the Company towards to the society by way of imparting / upgrading education, training, skills and employability;
- e) Delineating Company's responsibility of global corporate citizen and ensuring increased commitment at all levels in the organization so as to operate the business in an economically, socially and environment-friendly sustainable manner.
- f) Guide Company's strategic planning and to provide roadmap for CSR initiatives, as an integral part of overall business plan and in alignment with the business goals.
- g) To comply with the statutory requirement of the Companies Act, 2013.

### **4.0 CSR COMMITTEE:**

Under Section 135 of the Companies Act, 2013, Every Company having net worth of Rs. 500 Crore or more, or turnover of Rs. 1,000 Crore or more, or a net profit of Rs. 5 Crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an Independent Director.

The Board of Directors at their meeting held on March 25, 2015, had constituted a CSR Committee of the Company. The terms of reference of the CSR Committee shall be as under:

<b>Composition</b>	Mr. P Rajendran, Non-Executive Director Mr. Saurabh Singh, Non-Executive Director Mr. Anand Sudarshan, Independent Director Mr. Sapnesh Kumar Lalla, Non-Executive Director
<b>Chairman</b>	Mr. Anand Sudarshan, Independent Director
<b>Meetings</b>	As and when required
<b>Quorum</b>	Two members present shall form the quorum.
<b>Invitees</b>	The Committee may invite any other official(s), person(s), and/or expert(s), as it may deem necessary as invitee(s) to the meeting.

**Secretary**

Company Secretary of the Company shall act as Secretary to the Committee

**Scope of actions of CSR Committee**

- a) To formulate CSR Policy and recommend the same to the Board of Directors for its approval;
- b) To formulate plans and policies for performing various CSR activities in the Thrust Areas;
- c) To identify specific Thrust Areas / Projects / Activities, which shall be undertaken by the Company during the period;
- d) To identify any other CSR activities (apart from Thrust Areas) as may be required to be performed;
- e) To ensure alignment of CSR objectives with Company's corporate strategy;
- f) To finalize modalities of execution, implementation schedule and monitoring mechanism for each CSR Project;
- g) To take various steps for implementation of various CSR plans and policies;
- h) To decide and prioritize the activities commenced under CSR;
- i) To monitor the performance of CSR activities and take corrective actions, if any, required in this regard;
- j) To delegate the responsibility of performing CSR activities to any employee(s) of the Company;
- k) To engage into collaboration with any specialized agencies like panchayats, associations, authorities, NGOs, institutes, academic organizations, trusts, self-help groups, Government / Semi Government / autonomous organizations, professional organizations;
- l) To terminate the engagement, if required, with such specialized agencies engaged for the purpose of performing CSR activities;
- m) To recommend to the Board, the annual budget of CSR activities;
- n) To recommend to the Board, all unplanned expenditure incurred for the CSR activities;
- o) To ensure proper fund utilization for accomplishment of objectives;
- p) To determine and recommend the source of funds / resources for the purpose of carrying on CSR activities, to the Board of Directors for their approval;
- q) To develop mechanism to actively engage with all stakeholders, inform them of inherent risk and mitigate them where they occur;
- r) To develop and maintain integrity of reporting to any external stakeholder;
- s) To evaluate the Company's social responsibility status annually;
- t) To review, approve and place before the Board of Directors, the Action Taken Report for CSR activities undertaken during the year;
- u) To provide 'Annual Report on CSR Activities' to the Board of Directors for inclusion in the Company's Annual Report;
- v) To get the special audit done for CSR activities, if need be, and place the Audit Report before the Board of Directors;
- w) To ensure compliance of Companies Act, 2013 and other applicable statutory provisions from time to time;

- x) To perform any other duty as may be delegated by the Board of Directors, Chairman, CEO, and COO of the Company from time to time;
- y) To comply with provisions of CSR Policy, monitor the same periodically and make recommendations to the Board of Directors for amendments, as may be deemed appropriate;
- z) To do all such other acts, deeds and things that may be required for performance of CSR activities.

In carrying out the responsibilities, the CSR Committee policies and procedures shall remain flexible in order to react to changing conditions and circumstances.

#### **5.0 SOURCE OF FUNDS:**

- a) The Board of Directors, upon recommendation of the CSR Committee, may annually allocate the funds for carrying out the CSR activities in synchronization with the schedule of activities proposed to be undertaken during the year. The criteria of allocation of funds shall be at the sole discretion of the Board of Directors. The total limit of the funds earmarked for the CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years.
- b) The net profit referred above shall be the net profit of the Company calculated in accordance with provisions of Section 198 of the Companies Act, 2013, but shall not include the following:
  - (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
  - (ii) Any dividend received from other companies in India, which are covered under and complying with provisions of Section 135 of the Companies Act, 2013.
- c) Within the aforesaid limit, an amount not exceeding to 2% of total CSR annual budget shall be earmarked per year, for the contribution towards of corpus of NIIT Foundation and NIIT Institute of Information Technology, not-for-profit societies registered under Societies Registration Act, 1860.
- d) In case any new project is undertaken by the CSR Committee, it may request the Board of Directors for additional grant during the year, which the Board of Directors may approve at its sole discretion.
- e) In those circumstances, where the CSR Committee of the Company receives any contribution / sponsorship / donation for the purpose of CSR activities, it shall utilize the same for the accomplishment of the objectives for which such contribution / sponsorship / donation was received and shall submit certificate to the donor regarding end-use utilization of funds donated by them.
- f) Any amount unspent / unutilized from CSR allocation of a particular year, will be carried forward to the subsequent year and shall be utilized for the purpose of designated CSR activities only.
- g) Any surplus arising out of the CSR Project(s) / programs / activities shall not form part of the business profits of the Company.

#### **6.0 PERMISSIBLE CSR EXPENDITURE:**

- a) The CSR expenditure shall include all expenditure including contribution to corpus for CSR Project or programs relating to CSR activities approved by the Board on recommendation of the CSR Committee but does not include any expenditure on any item not in conformity or not in line with the activities which fall within the purview of Schedule VII of the Companies Act, 2013.

- b) The CSR Projects undertaken in India shall only be considered for CSR expenditure.
- c) The CSR Committee may spend funds in building CSR capacities of Company's personnel or personnel of Implementation Agency through institutions with established track record of at least three financial years, however, such expenditure shall not exceed 5% of total CSR expenditure of the Company in any one financial year.

#### **7.0 IDENTIFICATION OF PROGRAMS:**

The CSR Committee shall identify the CSR Project / programs / activities on the basis of following measures:

- a) Need Identification Studies done by professional institutions / agencies; or
- b) Internal need assessment done by team at local level; or
- c) Receipt of proposal from district administration / government; or
- d) Discussions or requests received from other Civic bodies / NGOs etc.

The activities carried out by the Company in normal course of business shall not form part of CSR activities.

#### **8.0 IMPLEMENTATION:**

- a) The investment in CSR activities should be project based (each such project is referred to as "CSR Project") and for every CSR Project, time framed periodic milestones should be finalized at the outset. The CSR Committee shall finalize the modalities of execution of each CSR Project along with its implementation schedule and monitoring mechanism thereof. The finalized schedule for each of the CSR Project containing details of Project, modalities of execution, implementation schedule and monitoring mechanism shall form Annexure to this CSR Policy.
- b) The CSR Projects shall be implemented and executed through a registered trust or a registered society or company established under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956) by the Company or its subsidiary or associate company (hereinafter referred to as "Implementation Agency"). Any of the CSR Project may also be implemented through NIIT Foundation and NIIT Institute of Information Technology, not-for-profit societies registered under Societies Registration Act, 1860.
- c) The Company may also collaborate with other companies for undertaking projects or programs in such a manner that CSR Committees of respective companies are in a position to report separately on such projects or programs.
- d) In case the Implementation Agency is not established by the Company, then it shall have an established track record of three years in undertaking similar projects or programs.
- e) The modalities of utilization of funds by the Implementation Agency along with monitoring and reporting mechanism shall be specified by the CSR Committee;
- f) The Implementation Agency shall perform the activities ethically and transparently to upkeep the objective of CSR and shall submit periodic performance report (including fund utilization report) to the Committee for their action thereon.
- g) The Company shall give preference to the local area and areas around it where it operates and
- h) The CSR Project / programs that benefit only the employees of the Company and their families shall not be considered as CSR activity.

#### **9.0 MONITORING:**

The CSR Committee shall institute a transparent monitoring mechanism for implementation of CSR Projects and regularly monitor the activities undertaken by measuring the performance with the benchmarked milestones. The CSR Committee or any person authorized by it shall also obtain feedback from the direct beneficiaries of the CSR activities of the Company. The detailed monitoring report along with feedback shall be submitted to the Board of Directors for their consideration thereon.

The CSR Committee may also conduct impact studies on a periodic basis, through independent professional third parties / professional institutions, especially on strategic and high value programs.

In case of CSR projects sponsored by third parties, periodic certificates depicting the status of the project, end-use fund utilization and other requisite details shall be provided to the sponsor at regular interval and upon completion of the project.

#### **10.0 INFORMATION DISSEMINATION:**

The Company's engagement in the CSR activities shall be disseminated through website, annual report, journals and other communication media, in the specified format if required. This will gain support and popularity to enable the Company to improvise CSR strategy and final accomplishment of objectives and also encourage responsible business practices and CSR activities across the industry.