

**Corporate Social Responsibility
Policy
of
HCIL Comtel Private Limited
(Formerly known as HCIL Comtel Limited)**

1. **Preamble**

The Corporate Social Responsibility Policy ('CSR Policy') of HCIL Comtel Private Limited (hereinafter referred as 'Company') means a statement containing the approach and direction given by the Board of the Directors of the Company taking into account the recommendations of its CSR Committee and includes the guiding principles for the selection, implementation and monitoring of activities, as well as the formulation of the annual action plan.

The CSR Policy provides a framework for establishing a process for allocation, distribution and spending of funds, for the purpose of making an impact on the community.

2. **Vision Statement & Objective**

The CSR activities of the Company are required to be aligned with the requirements of the Companies Act, 2013 as enlisted in this Policy which may be amended from time to time and as per the approach and direction given by the Board.

3. **Annual Spend**

At least two percent of the average net profits of the Company made in every financial year during the three immediately preceding financial years shall form the funds available for the implementation of the CSR projects and required to be spend by the Company.

4. **Constitution and functions of the CSR Committee**

The Board shall constitute a CSR Committee in accordance with the provisions of Section 135 of the Companies Act 2013 and rules made there under, as amended from time to time.

The functions to be discharged by the CSR Committee, as provided under Section 135 of the Companies Act 2013, include but not limited to:

- Frame rules, policies, disclosures as may be required to comply with the provisions of Companies Act, 2013 read with the applicable schedule, rules and notifications issued by the Ministry of Corporate Affairs (MCA) from time to time;
- Recommend and approve the CSR activities as stated under Schedule VII of the Act;
- Recommend, allocate and approve the CSR Budget and the amount as required on the initiatives per the CSR policy and in accordance with the Companies Act 2013;
- Undertake one or more CSR initiatives in any financial year. In the event the Company undertakes more than one CSR initiatives, it may allocate separate

projects to be undertaken at separate locations.

- Recommend, approve and spend the allocated CSR amount on the CSR activities as approved by the Board;
- Create transparent monitoring mechanism for the implementation of CSR Initiatives;
- Submit the Reports in respect of the CSR activities undertaken by the Company and monitor the CSR policy, as required under the applicable laws;
- Authorize officials of the Company to implement and monitor the project milestones and goals as per CSR policy, plan for risk mitigation strategies and spend the allocated amount.

5. Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet at least once in every financial year. The members of the CSR Committee can mutually agree the time and place for the said meetings. Quorum for the meeting should be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made there under from time to time.

6. List of CSR Projects to be undertaken in line with the Schedule VII of the Companies Act, 2013

- Eradicate hunger, poverty and malnutrition, including promotion of health care, preventive health care and sanitation.
- Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- ensure environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water.

7. The list of the expenditure outside the purview of the CSR expenditure in accordance with the provisions of the Companies Act 2013

- The Company shall not contribute any amount directly or indirectly to any political party;
- CSR activities shall not include the activities undertaken in pursuance of normal course of business of the company;
- CSR activities shall not include the projects or programs or activities undertaken to benefit only the employees of the Company and their families;
- Any activity undertaken by the Company outside India;

- Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
- Activities carried out for fulfillment of any other statutory obligations under any law in force in India;

8. Guiding principles for the selection, implementation and monitoring of the CSR activities

8.1. The guiding principles for the selection of the CSR activities are:

- Sector wise selection principles:
 - Relating to 'Promotion of Education' ;
 - Promotion of health care including preventive health care; and
 - Conservation of Natural resources.
- Location wise selection principles:
 - The Board shall plan and implement the CSR activities in and around the location/s where the Company has its operations, including the places where the Company has its offices / projects / plants / establishments. The CSR projects and activities shall be undertaken in India only.

8.2. The guiding principles for the implementation, execution and utilization of the CSR activities are:

- Preparation of an Implementation Schedule:
 - Preparation of an implementation schedule for each CSR activity identified. The implementation schedule shall include the project initiation date and the end date, the impact that the Company would achieve and the amount that would be spent out of the CSR budget on each such project. If the Company is unable to spend any amount out of the total allocated budget, the reasons should be stated in the Schedule.
- Method of the implementation and execution of the CSR projects:
 - The CSR activities shall be undertaken by the Company either directly or through:
 - a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company;
 - b) 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;

- c) any entity established under an Act of Parliament or a State legislature; or
- d) 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;
- e) the company may engage international organizations, as defined under the relevant provisions of the Companies Act 2013, for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR ;

8.3. The guiding principles for the monitoring of the CSR activities are:

- In case of an Ongoing Project (“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;) 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.
- Each of the CSR projects and programs will have clearly defined output, outcome and process indicators which will be reported at specified frequencies.
- All projects and programs shall be monitored by the authorized officials. The monitoring process will cover both program and financial reviews.
- Ensure that the Administrative Overheads shall not exceed five percent of total CSR expenditure of the company for the financial year; “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the design, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- Any other measures as advised by the Board for monitoring the projects / programs may be taken up from time to time.
- A transparent monitoring mechanism will be put in place to ensure effective implementation of the CSR programs undertaken at each work center. A person in each office location can be appointed to monitor the progress of CSR programs.

9. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes as specified in the CSR rules;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and

The Board may alter such plan at any time during the financial year, as per the Recommendation of its CSR Committee, based on the reasonable justification to that effect.

- The list of the CSR projects shall be approved by the Board.
- The execution, modalities of utilization of funds and the implementation schedules of the annual action plan shall be in accordance with the 'Guiding principles for the implementation, execution and utilization of the CSR activities' as enlisted in this Policy.
- A specific budget shall be allocated by the Board for the CSR activities and spending on 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, as per the provisions of the Section 135 of the Companies Act 2013 along with its applicable rules, as may be modified from time to time.
- The monitoring mechanism shall be in accordance with the 'Guiding principles for the monitoring of the CSR activities' as enlisted in the Policy.
- The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company and shall be utilized in the manner as per the provisions of the Section 135 of the Companies Act 2013 along with its applicable rules, as may be modified from time to time.
- In case the Company fails to spend such amount, the Board shall specify the reasons for not spending the amount in the Board Report and the treatment of such unspent amount shall be made in accordance with this policy and as per the provisions of the Section 135 of the Companies Act 2013 along with its applicable rules, as may be modified from time to time.
- The complete disclosure of all the activities undertaken, amount spent or unspent during the financial year shall be disclosed in the Board Report which forms part of the Annual Report of the Company; in the manner as required pursuant to the applicable provisions of the Companies Act 2013.

10. **Transfer of unspent CSR amount**

Any unspent CSR amount shall be transferred to a separate bank account in a scheduled bank called the Unspent Corporate Social Responsibility Account within 30 days from the end of the financial year.

11. **Policy Review & Future Amendment**

The Board may review the CSR Policy from time to time and make suitable changes as may be required. Based on the recommendation of CSR committee, the Board of Directors is required to approve the revised CSR policy and update the same on website of the Company, if any.

12. **Display of CSR activities on its website**

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, CSR Policy and Projects approved by the Board on the Company website, if any, for public access.