

# **CORPORATE SOCIAL RESPONSIBILITY** **POLICY**

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## 1. Background

Recognizing that business enterprises are economic organs of society and draw on societal resources, it is Ceinsys Tech Limited's belief that a company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. In line with this belief, Ceinsys shall continue creating unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of Ceinsys' business. Programme, projects and activities (collectively "CSR Programme") carried out in this regard are the subject matter of this Policy.

## 2. CSR Vision Statement

In alignment with vision of the company, Ceinsys Tech Limited (Ceinsys), through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate citizen.

## 3. Purpose

The key purpose of this policy is to:

- i. Identify broad areas of intervention in which the company may undertake projects;
- ii. Serve as a guiding document to help execute and monitor CSR projects.
- iii. Broad criteria for implementation agencies;

- iv. Ensure an increased commitment at all levels in the organization;
- v. Directly or indirectly take up programs that benefit the communities in & around its work centres and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace;

#### 4. **CSR Activities**

In accordance with the requirement under the Companies act 2013, Ceinsys' CSR Activities, amongst other will as follows:

- i. Hunger, Poverty, Malnutrition and Health: Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- ii. Promoting education: Promoting education including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.
- iii. Gender Equality and Empowerment of Women: Promoting Gender Equality and empowering women; setting of homes, 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 recognized 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.
- xi. Slum area development
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.
- xiii. Such other activities as may be prescribed from time to time.

#### **5. Identification of Thrust Areas and Strategic Initiatives:**

For the purpose of focusing Ceinsys CSR Policy in a continued and effective manner, the following thrust areas have been identified as to:

- i. promote education;
- ii. health and welfare;
- iii. community well being;
- iv. promote gender equality and empower women;

- v. reduce child mortality and improve maternal health;
- vi. ensure environmental sustainability;
- vii. enhance vocational skills on employment;
- viii. social business projects;
- ix. eradicating extreme hunger and poverty
- x. Such other matters as may be decided from time to time, and also may include activities which are connected to the company's core activities and fruitful in the long run.

## **6. Exclusion from CSR**

The Following activities are restricted and shall not form part of CSR Activity:-

- i. Company shall Endeavour not to include any of the business activities undertaken in the normal course of business of the Company within the ambit of CSR activities.
- ii. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR activity.
- iii. CSR Projects or activities that benefit only the employees of the Company and their families shall not be considered CSR activities.
- iv. No contribution to be made for any activities undertaken outside India. The surplus, if any arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- v. Expenditure not in line with the CSR Activities shall not be included.
- vi. One off events such as Marathons/awards/charitable contributions/advertisement/ sponsorships of TV programs etc. would not be qualified as CSR expenditure.

- vii. Expenses incurred by companies for fulfilment of any Act/Statute of regulations would not count as CSR Expenditure under the Companies Act. CSR projects/programs or activities that benefit only the employees of the Company and their families.

#### **7. CSR Expenditure**

In compliance of the Act & with the approval of the Board of Directors, the CSR Committee shall endeavour to spend at least 2% of the average net profits the three immediately preceding financial years on CSR Activities as enumerated above. CSR spend shall be made on or before

31st March of the relevant financial year. Any surplus arising out of the CSR activities shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of 6 months of the expiry of the financial year.

#### **8. Implementation Strategy**

The CSR activities shall be implemented in two ways as below:

- i. Directly by Ceinsys.
- ii. Through registered and eligible implementing agency such as NGOs/Voluntary Organizations/Trusts/Section 8 Company.

#### **9. CSR Committee Formulation and Structure:**

The Corporate Social Responsibility Committee is constituted by the Board of Directors of Ceinsys Tech Limited (“Ceinsys”) in their meeting held on 26th July, 2014 in compliance with Section 135 of the Companies Act, 2013 (“the Act”) read along with Schedule VII & the applicable rules thereto. The present Corporate Social Responsibility (CSR) Policy (“the policy”) is in compliance with

Section 135(3) of the Act read along with the Companies (Corporate Social Responsibility Policy) Rules, 2013 (“the rules).

Ceinsys’ Corporate Social Responsibility (CSR) involves participating, contributing and make our presence in social, economic, infrastructural, educational, cultural developments etc; for augmenting the quality of life of the people of our country, especially in and around areas where are our registered office are located.

**i. Structure**

The CSR governance structure will be headed by the Board-level CSR committee to oversee the Implementation of CSR Policy and monitoring CSR activities. The Committee will comprise of Minimum 3 Directors of which one Director shall be independent and in compliance with the Requirements of Section 135 of the Companies Act, 2013. This committee will report to the Board of the company. CSR Committee will be formed to monitor and guide the CSR activities.

**ii. Scope of Work of CSR Committee**

- Formulate and update Ceinsys’ CSR Policy, which will be approved by the Board;
- Suggest areas of intervention;
- Put monitoring mechanisms in place to track the progress of each project;
- Recommend the CSR expenditure to the Board for approval;
- To formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy which shall include: 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,

- 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
- e) details of need and impact assessment, if any, for the projects undertaken by the company.

□ The Board-level CSR committee, based on reports presented by the Management, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013 or any amendments thereof.

**iii. Meetings of CSR Committee**

The CSR Committee may meet at such intervals as may be considered appropriate by the Committee or as and when required. Besides the physical meeting, the Committee may hold a meeting through video conference or tele-conference or any other similar mode.

**iv. Notice and Agenda of CSR Meeting**

A notice of not less than 7 working days before the date of the meeting specifying the date, time & venue of the meeting together with the list of business to be conducted at the meeting shall be circulated to each member of the Committee either physically or by electronic means. The meeting may be called at shorter notice or the notice period may be waived off provided the consent of all the members is recorded in writing.

**v. Quorum**

No business will be transacted at the meeting unless at least two members are present, one member being an independent director.

**vi. Secretary**

The Company Secretary shall act as the secretary of the Committee meetings.

**vii. Minutes of Meeting**

The Secretary shall be responsible for drafting & maintaining the minutes of the CSR Committee meetings. The draft minutes will be circulated to the members for their inputs and each approved minutes will be placed before the Board of Directors for noting.

**viii. Resolution passed by Circulation**

A resolution shall be valid and effective as if it has been passed at a CSR Committee meeting duly called & constituted, if it is passed by circulation by an affirmative majority vote of the members. The resolution passed by the circulation shall be recorded in the minutes of the subsequent meeting of the Committee.

**10. Disclosures**

The Company's CSR Policy will be published on its website. The Annual Report of the Company shall include a section on CSR outlining the CSR Policy, CSR committee, CSR initiatives undertaken by Company, the CSR spend during the financial year and other information as required by the prevailing law.

**11. General**

- i. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.;

- ii. If it is observed that any CSR activity taken up for implementation is found not properly Implemented, Ceinsys at its discretion may discontinue funding the activity at any time during the course of implementation;
- iii. CSR Committee shall be empowered to amend or modify this policy and such changes shall be placed before the Board for approval;
- iv. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the CSR Committee shall be final.
- v. The provisions of the CSR policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Central Government or the Ministry of Corporate Affairs from time to time.
- vi. The Company reserves the right to modify, cancel, add, or amend any of these Rules.

### **Registered Office -Nagpur**

Ceinsys Tech Ltd. 10/5, IT Park, Opp . VNIT, Nagpur-440022.  
Maharashtra, India  
EPABX: +91 712 2249033/358/930  
Fax: +91 712 2249605

### **Corporate Office- Mumbai**

2103A, Marathon Futurex Mafatlal Mills Compound  
N.M. Joshi Marg Lower Parel East, Mumbai 400013  
Maharashtra, India  
EPBX: +91 22 49472200