

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

Creative InfoCity Limited

Corporate Social Responsibility Policy

A. The Company

Creative InfoCity Limited (hereinafter referred to as “**CIL**”) is a Company registered under the Companies Act, 2013. As a joint venture between M/s. Creative IT Inc. of Florida, USA (“hereinafter referred to as “**CIT**”) and M/s. Gujarat Informatics Limited (hereinafter referred to as “**GIL**”), a wholly owned undertaking of the Government of Gujarat, CIL has conceptualized and developed the InfoCity Project at Gandhinagar as per the Agreements between CIL and GIL. CIL has also been operating and maintaining the Project in terms of the said agreement.

B. The InfoCity at a Glance

- a) The InfoCity: Information Technology (IT) park project is developed based on the concept of "A City within a city" and a 24/ 7 work culture, which provides Build-up space, IT Plots, residential units, club-house & Lifestyle facilities, educational facilities.
- b) Strategically developed on a prime area of 150 acres in the Greenest Capital City in the World - Gandhinagar, Gujarat, India between the National Capital-Delhi & the Commercial Capital - Mumbai.
- c) The InfoCity is global ITeS Outsourcing hub in Gujarat, India provides world class infrastructure to BPO, KPO, Software development & other ITeS outsourcing companies.
- d) On a most desirable location in the fastest growing knowledge corridor of Ahmedabad- Gandhinagar region

C. Object Of CSR Policy:-

Our Board of Directors, our Management and all of our Team Members subscribe to the philosophy of compassionate care with an evolution of humanity, kindness and care. We believe and act on an ethos of generosity and compassion, characterised by a willingness to build a coherent society that works for everyone. The Company firmly believes that CSR is primarily, the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behavior which is:

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

- a) consistent with sustainable development and welfare of society,
- b) taking into account the expectations of stakeholders,
- c) in compliance with applicable laws, and
- d) uniformly integrated and practiced throughout the Company.

D. Scope

In furtherance of its CSR objects, the following are covered under this Policy:

- i. CSR projects implemented by the Company directly on its own,
- ii. CSR projects implemented in collaboration with other companies including Group Companies,
- iii. CSR projects implemented by the Company through a Trust or Society or Section 8 Company

E. Definitions

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act 2013 and rules made thereunder, including any modifications, amendments or re-enactment thereof.
2. "Administrative overheads" means the expenses incurred by the Company for 'general management and administration' of CSR functions in the Company but shall not include expenses directly incurred for designing, implementation, monitoring and evaluation of a particular CSR Project or Activity.
3. "Annual Action Plan" shall mean the annual plan detailing the following:
 - a) the list of CSR Projects 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;
 - c) the modalities of utilisation of funds and implementation schedules for the Projects;
 - d) monitoring and reporting mechanism for the Projects; and
 - e) details of need and impact assessment, if any, for the projects undertaken by the Company;
4. "Approved Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
5. "Board" shall mean the Board of Directors of the Company.

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

6. "Company" shall mean Creative Infocity Limited and wherever the context requires, shall signify the Company acting through its Board.
7. "Corporate Social Responsibility (CSR) Projects" means the projects undertaken by the Company in pursuance of its statutory obligations laid down in Section 135 of the Act but shall not include the following:
 - i. projects undertaken in pursuance of normal course of business of the Company;
 - ii. any projects undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv. projects benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - v. projects supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vi. projects carried out for fulfillment of any other statutory obligations under any law in force in India;
8. "CSR Committee" shall mean the Corporate Social Responsibility and Sustainability Committee constituted by the Board of the Company in accordance with the Act,
9. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
10. "Implementing Agency (or Agencies) " means any Section 8 Company or a Trust or a Society, performing CSR projects, established by the Company or in collaboration with any other company or Group Companies or such other entities having an established track record of atleast three years in undertaking CSR projects, including any entity established by the Central Government or the State Government or an entity established under an Act of the Parliament or the State legislature for the benefit of the society.
11. "Net profit" means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

not include certain items specified in the Act, and shall be calculated in accordance with the provisions of section 198 of the Act.

- 12.** “Ongoing Project” means a multi-year project undertaken by the 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 to that effect.
- 13.** “Section 8 Company” means a company formed with the Charitable Objects and registered under this Act or under the Companies Act, 1956 or under any previous laws prevailing at the time being in force and registered under section 12A and 80 G of the Income Tax Act, 1961 including any modifications, amendments or reenactment thereof.
- 14.** “Society” means a society formed and registered under the Societies Registration Act, 1860 and registered under section 12A and 80 G of the Income Tax Act, 1961 including any modifications, amendments or re-enactment thereof.
- 15.** “Trust” means a trust created and registered under the India Trusts Act, 1882 or under any other related laws and registered under section 12A and 80 G of the Income Tax Act, 1961 including any modifications, amendments or re-enactment thereof.

The following is the list of CSR projects or programs which CIL may plan to undertake individually or jointly with one or more such projects or programs pursuant to Schedule VII of the Act as amended from time to time, if any:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
3. 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;

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognised sports and Paralympics and Olympic sports;
8. 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;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10. Rural development projects;
11. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there under.

F. Implementation Team and Responsibilities

To formulate and monitor the CSR policy of CIL, a CSR Committee of the Board needs to be constituted. Section 135 of the 2013 Act requires the CSR Committee to consist of at least three directors, including an independent director. However, CSR Rules exempts unlisted public companies and private companies that are not required to appoint an independent director from having an independent director as a part of their CSR Committee and stipulates that the Committee for a private company and a foreign company need to have a minimum of only 2 members.

In view of the above the Board of Directors of CIL has constituted a committee for framing policies and procedures for day-to-day operations known as the "CSR Committee", which consists of three members, one of whom is the Chairman of the Committee. One of the members of the CSR Committee is and should be an Independent Director, as CIL also conforms to the criteria requiring it to appoint independent directors on Board. The Company Secretary of CIL shall be the

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

Secretary of the Committee ex-officio. The CSR Committee is authorized to frame policy for Corporate Social Responsibility from time to time, CSR Goal Planning and Implementation, Review of Policy and its implementation, Improvement Plans and Procedures.

The CSR Committee shall advise for the revision of Policy due to change in circumstances, law or pursuit from time to time including the manner of deployment of resources and submit its recommendation before the Board for approval. Normally, recommendations of the CSR Committee are accepted in totality by the Board, but the Board is authorized to revise such recommendation in so far as it is in the best interests of CIL as well as the society.

Any amendment to policy and procedure shall be in writing, recommended by the CSR Committee and approved by the Board. Every Policy and Procedure once approved by the Board is deemed to be accepted by the CSR Committee without any exception. Any disagreement must be brought to the notice of the CSR Committee for further review and revision.

The CSR Committee shall –

1. Formulate and recommend to the Board, a CSR policy and activities to be undertaken by CIL as per Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities; and
3. Monitor the Policy of CIL from time to time.

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

At CIL, the Managing Director takes on the role of the mentor, while the onus for the successful and time bound implementation of the CSR activities/ projects is on the CSR Committee.

The report of the Board of Directors attached to the financial statements of CIL would enclose therewith an annual report on the CSR activities of CIL in the format prescribed in the CSR Rules. If CIL has been unable to spend the minimum required on its CSR initiatives, the reasons for not doing so are to be specified in the Board Report. To measure the impact of the work done, a social satisfaction survey/ audit is carried out by an external agency.

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

G. Partnerships

CIL can undertake its CSR activities through a registered trust or society, a company established by it as its subsidiary or associate company or otherwise, provided that CIL has specified the activities to be undertaken, the modalities for utilization of funds as well as the reporting and monitoring mechanism. If the entity through which the CSR activities are being undertaken is not established by CIL as its subsidiary or associate company, such entity would need to have an established track record of three years in undertaking similar activities.

CIL can build CSR capabilities of its personnel or implementation agencies through institutions with established track records of at least three years, provided that the expenditure for such activities does not exceed 5% of the total CSR expenditure of CIL in a single financial year.

Collaborative partnerships can be formed with the Governments including the State Government of Gujarat or any agency constituted by it including but not limited to Gujarat Corporate Social Responsibility Authority, the District Authorities, the village Panchayats, NGOs and other like-minded stakeholders. This can help widen CIL's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

CIL can also collaborate with other Company (ies) for jointly undertaking CSR activities, provided that each of the companies report individually on such projects as also the companies have like-minded CSR objective.

H. Budgets

The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure. 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 CIL made during the three immediately preceding financial years, in pursuance of this policy. The Managing Director or the Chief Financial Officer of CIL shall be the Approving authority for the CSR amount to be spent upon due recommendation of CSR Committee and approval of the Board of Directors of CIL.

In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount. 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.

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

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

Tax treatment of CSR Expenditure will be made in accordance with the Income Tax Laws as may be prescribed and/ or notified by the appropriate Government or Statutory authority from time to time.

I. Identification of CSR Projects:

1. CSR Projects need to be identified and planned for approval of the CSR Committee, in particular in Thrust Areas, with estimated expenditure and phase wise implementation schedules.
2. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company operates. However, this shall not bar the Company from pursuing its CSR Projects in other areas.
3. As a cardinal principle, the CSR Projects in Thrust Areas, shall be identified on the basis of a detailed assessment survey.
4. In case the Company fails to spend the statutory minimum limit of 2% of average net profits of the Company of the immediately preceding three Financial Years, in any given Financial Year, the Board shall specify the reasons for the same in its report and unless the unspent amount relates to any Ongoing Project, transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the Financial Year. Unspent CSR funds of ongoing projects will be transferred within a period of thirty days from the end of the Financial Year to a special account opened by the company in any scheduled bank titled "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the Company towards CSR projects within a period of three Financial Years from the date of such transfer and failing which, the balance unspent CSR Fund, if any, shall be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

J. Impact Assessment

1. The Company shall undertake Impact Assessment, through an independent agency, of the CSR Projects having outlays of rupees one crore or more, and which have been completed at least one year before undertaking the impact study.

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

2. Impact Assessment Reports shall be placed before the Board and shall be annexed to the Annual Report on CSR Projects.
3. The Company may book the Impact Assessment expenditure towards CSR Projects for that financial year, which shall not exceed 5 % of the total CSR expenditure for that financial year or rupees fifty lakh, whichever is less.

K. Others

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Action Plan shall be for the CSR Projects in the Thrust Areas. However, there shall not be any preference given to any particular Thrust Area for budgetary allocation and it shall be made purely as per the need of identified CSR Projects.
2. Any surplus arising out of the CSR Projects shall 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 and spent in pursuance of this Policy and / or Annual Action Plan or 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.
3. Administrative overheads shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

L. Duties and responsibilities

i. Board of Directors

- i. The Board shall consider and approve Annual Action Plan and CSR Budget and modification, if any, based on the recommendation of CSR Committee.
- ii. The Board shall decide whether a CSR Project is to be considered as an Ongoing Project based on reasonable justification to that effect.
- iii. The Board shall include in its Report an annual report on CSR Projects as per the format provided in the Act.
- iv. The Board shall satisfy itself that the CSR funds disbursed have been utilised for the purposes and in the manner as approved by it and the CFO or the person responsible for financial management shall certify to the effect.
- v. 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 may make modifications for

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

smooth implementation of the project within the overall permissible time.

- vi. The Board to decide on whether to set-off excess amount spent on CSR projects or not.
- vii. The Board shall ensure that the composition of the CSR Committee, CSR Policy and CSR Projects approved are displayed on the website of the Company.
- viii. The Board shall ensure compliance of CSR Policy, section 135 of the Act.

ii. CSR Committee

- i. The Committee to prepare Annual Action Plan of CSR Projects to be undertaken in pursuance of CSR Policy and recommend the same to the Board with CSR Budget.
- ii. The CSR Committee shall monitor the implementation of CSR Policy and Annual Action Plan. For this purpose, the CSR Committee shall meet atleast twice a year.
- iii. In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- iv. The CSR Committee shall place before the Board the draft annual report on CSR Projects as per the format prescribed in the Act preferably in the Board meeting to be held to consider the annual financial results.

M. Review and amendment

- i. Annual Action Plan may be revised/modified/amended by the Board based on the recommendation of the CSR Committee at any time as it may deem fit.
- ii. In case of any statutory modification or amendment or alteration in the provisions of the Act, the newly modified/amended/alterd provisions of the Act shall be deemed to be implemented in the policy immediately with effect from the date of the statutory notification for modification / amendment / alteration etc. The amended policy shall be placed before the CSR Committee and Board preferably by next meeting for ratification and approval.

Creative InfoCity Limited - Corporate Social Responsibility (CSR) Policy

N. Dissemination of Information

CIL's engagement in this domain is disseminated on its Website, Annual Reports and its in-house journals, pamphlets and brochures as and when deemed fit. Any person, who wants to check with this Policy Document may visit the Website of CIL or write to the CSR Committee or the Company Secretary of CIL.

O. PERFORMANCE AND REVIEWS

Performance of CSR Team shall be conducted at least once on yearly basis through interactions with the CSR Team Members individually as well as collectively. The CSR Committee will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary. These observations would help the Board to determine the context for which a formal policy evaluation may be required, by which CIL can contribute towards CSR in most efficient manner as well as strengths and areas of improvement.
