

Corporate Social Responsibility (CSR) Policy

Section 135 read with Schedule VII of the Companies Act, 2013 (“Act”) and Companies (Corporate Social Responsibility Policy) Rules, 2014 has mandated the Company to constitute Corporate Social Responsibility (“CSR”) Committee and devise a separate CSR Policy to carry out CSR activities as suggested under the Act.

Preamble

This policy encompasses the company’s philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large, is titled as the Corporate Social Responsibility (CSR) Policy.

Vision

Our vision is “To actively contribute to the social and economic development of the community in which we operate”. In doing so, we build a better, sustainable way of life for the weaker sections of society and raise the country’s human development Index.

In alignment with vision of the Company, CyberTech Systems and Software Limited, 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 & economic development for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

Our Board of Directors, Senior Management and all 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.

CONSTITUTION OF CSR COMMITTEE:

Pursuant to Section 135 (1) of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, both of which came into force on April 01, 2014, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five 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.

In compliance with the above provisions, the Corporate Social Responsibility (CSR) Committee of the Company was constituted on August 06, 2014 with the following Directors as Chairman/Members of the CSR Committee:

The CSR Committee comprise of the following Directors:

| | |
|------------------------|---------------------------------|
| Mr. Sudhir Joshi | Chairman, Independent Director |
| Mr. Vish Tadimety | Member, Non- Executive Director |
| Mr. Ramasubramanian S. | Member, Executive Director |
| Dr. N.L. Sarda | Member, Independent Director |

DEFINITIONS:

“**Act**” means the Companies Act, 2013.

“**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 designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

“**Corporate Social Responsibility (CSR)**” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in CSR rules, but shall not include the following, namely:

i. Activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that –

(a) Such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act; and

(b) Details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report.

ii. Any activity 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. Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;

- v. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
- vi. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

“CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

“CSR Policy” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

“International Organization” means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947, to which the provisions of the Schedule to the said Act apply.

“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 not include the following, namely: -

- 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 the provisions of section 135 of the Act:

“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.

“Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005.

DUTIES AND RESPONSIBILITIES OF THE CSR COMMITTEE:

The Corporate Social Responsibility Committee shall:

- i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subjects, specified in Schedule VII of the Companies Act, 2013;

- ii. Recommend the amount of expenditure to be incurred on such activities; and
- iii. Monitor the Corporate Social Responsibility Policy of the company from time to time.
- iv. Formulation of Annual Action Plan:

The CSR Committee shall formulate an annual action plan (beginning with the Financial Year 2021-22) and recommend the same to the Board, 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;
- c) The modalities of utilization of funds and implementation schedules for the projects or programmes; and
- d) Monitoring and reporting mechanism for the projects or programmes.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company shall:

- i. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company and disclose the contents of such policy in its Board Report and also place it on the Company's website, if any.
- ii. Ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company.
- iii. Ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its CSR Policy.
- iv. Satisfy itself that the funds disbursed in respect of fulfillment of CSR obligation have been utilized 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 to the effect.
- v. Monitor the implementation of the ongoing 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.
- vi. Ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

The Board shall include in its Report, the Annual Report on CSR as per the format prescribed from time to time.

KEY AREAS OF CORPORATE SOCIAL RESPONSIBILITY (CSR):

Schedule VII of the Act has covered the following activities to be part of CSR Policy:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh 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 art 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
- ix. govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- x. 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 State Government;

- xi. 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).
- xii. Rural development projects;
- xiii. Slum area development; and
- xiv. Disaster management, including relief, rehabilitation and reconstruction activities.

Without prejudice to the above, following activities, by way of illustration, may also be carried out by the company, if it deems fit:-

1. Curative health care, surgery, eye donation camps, skin donation camps, blood donation activities, therapy camps, dental camps, acupuncture camps, cataract camps, etc.
2. To participate in building a healthy community through, continuing initiatives in several areas of healthcare, with a focus, on mother & child care and HIV/AIDS awareness.
3. Literacy / Awareness programmes and activities in various social & wellbeing areas.
4. Research activities, economic, industrial, social research, research professorships, research chair, etc.
5. Furtherance and promotion of practice of alternative Indian traditional medical practice such as homeopathy, Ayurveda, siddha medicine, naturopathy and yoga therapies, for the benefit of community at large.
6. Hostels and boarding rooms, reading rooms, convalescence / asylum rooms for poor and the needy.
7. Restoration & beautification of a city, town, village, museum, gardens, parks, public recreation centers etc.
8. Sponsoring of Medical equipment and technology for Charitable Hospitals
9. Disaster management activities and Relief to victims of natural calamities.
10. Activities relating to irrigation, wells, dams etc. for improving livelihood of farmers and agriculturists.
11. Promotion of nationally recognized sports (not only training).
12. Infrastructure activities, essentially for helping the poor and the needy.

IDENTIFICATION / SELECTION OF CSR PROJECTS:

- i. CSR Projects need to be identified and planned for approval of the CSR Committee, with estimated expenditure and phase wise implementation schedules.
- ii. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
- iii. As a cardinal principle, the CSR Projects shall be identified on the basis of a detailed assessment survey. Every year, the CSR Budget, along with its implementation schedule shall be presented to the Board, by the CSR Committee, for its approval.
- iv. The Chairman and the Managing Director of the Company are authorized severally to decide the Projects to be implemented as approved by the CSR Committee.
- v. The CSR Committee may engage external professionals/firms/agencies if required for the purpose of identification of CSR Projects.

IMPLEMENTATION OF CSR PROJECTS

- (1) The Board shall ensure that the CSR activities are undertaken by the Company itself 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, established by the company, either singly or along with any other company, or
 - 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.
- (2) The company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.
- (3) The company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes.

MONITORING MECHANISM:

The CSR committee will be responsible for the monitoring of various CSR Projects, Programs or Activities undertaken by the Company directly or indirectly. The Committee shall ensure that CSR Projects, Programs or Activities:

- a) are undertaken as provided in the CSR policy.
- b) are implemented as approved by the Board.
- c) the budget allocated is utilized as per the approved plans.
- d) the objectives are achieved in consonance with this policy.

FUND ALLOCATION:

CSR Funds

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- i. 2% of the average Net Profits of the Company made during the three immediately preceding Financial Years (calculated in accordance with the provisions of Section 198, excluding any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise);
- ii. Any income arising there from; and
- iii. Surplus arising out of CSR activities carried out by the Company.

CSR Expenditure

- a) Administrative overheads shall not exceed five percent of total CSR expenditure of the company for any financial year (or such percentage as may be prescribed by law from time to time).
- b) Any surplus arising out of the CSR projects or programs 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 CSR policy and annual action plan of the company.
- c) Where the company spends an amount in excess of requirement provided under section 135(5) of the Act, such excess amount shall be set off against the requirement to spend under section 135(5) of the Act, up to immediate succeeding three financial years subject to the conditions that –
 - i. the excess amount available for set off shall not include the surplus arising out of the CSR activities; and
 - ii. the Board of the company shall pass a resolution to this effect.

“Unspent CSR Account” refers to an account opened as such by the Company with its Bank to transfer the amount remaining unspent at end of Financial Year which relates to any ongoing project.

General

The CSR Policy referred to above is to be read in conjunction with Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 as amended from time to time. Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued from the Government from time to time or as decided by the Board of Directors of the Company.

The above Policy Guidelines are subject to review at suitable intervals and subject to revision accordingly.

The Policy is updated pursuant to periodical review by the Board of Directors as on May 13, 2021.