



CORPORATE SOCIAL RESPONSIBILITY POLICY

Policies & Procedures

Business Policies and Procedures

Recommended by

CSR Committee

Approved by

Board of Directors

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**A) The Company**

Creative Infocity Limited (hereinafter referred to as “**CIL**”) is a Company registered under the Companies Act, 1956. 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.

The Infocity at a Glance

- 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.
- 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.
- The Infocity is global ITeS Outsourcing hub in Gujarat, India provides world class infrastructure to BPO, KPO, Software development & other ITeS outsourcing companies.
- On a most desirable location in the fastest growing knowledge corridor of Ahmedabad-Gandhinagar region (with 6 million+ population).

B) Introduction to Corporate Social Responsibility

We are aware that the Companies Act, 2013 (hereinafter referred to as “**the Act**”) has been notified by the Government of India. One of the important aspects of the Act is the introduction of the concept of Corporate Social Responsibility (hereinafter referred to as “**CSR**”), which is prescribed under Section 135 of the Act. The Ministry of Corporate Affairs (MCA) under the Government of India has notified Section 135 and Schedule VII of the Act effective from April 1, 2014.

The Government has also notified the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as “**the Rules**”) under the said Section of the Act.

The relevant Provisions of the Act and the Rules are reproduced herein below.

C) Provisions under The Companies Act, 2013**Section 135: Corporate Social Responsibility**

(1) *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.*

Provided that where a Company is not required to appoint an Independent Director under sub-section (4) of Section 149, it shall have in its Corporate Social Responsibility Committee two or more Directors]

(2) *The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.*

(3) *The Corporate Social Responsibility Committee shall,-*

(a) *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 subject, specified in Schedule VII;*

(b) *recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and*

(c) *monitor the Corporate Social Responsibility Policy of the company from time to time.*



(4) *The Board of every company referred to in sub-section (1) shall, -*

(a) *after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and*

(b) *ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.*

(5) *The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:*

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year].

[Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.]

Explanation.—For the purposes of this section “net profit” shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.]

(6) *Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.*

(7) *If a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.]*



- (8) The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions.
- (9) Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

Explanation- For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Rule 4: CSR Implementation

(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 (43 of 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) (a) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021:

Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021.

(b) Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice.

(c) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.

(3) A company may engage international organisations 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.

(4) A 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 in accordance with these rules.



(5) The Board of a company shall satisfy itself that the funds so disbursed have been utilised 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.

(6) In case of ongoing project, the Board of a Company 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. ”.

Rule 5: CSR Committees

(1) The companies mentioned in the rule 3 shall constitute CSR Committee as under.-

(i) a company covered under sub-section (1) of section 135 which is not required to appoint an independent director pursuant to sub-section (4) of section 149 of the Act, shall have its CSR Committee without such director ;

(ii) a private company having only two directors on its Board shall constitute its CSR Committee with two such directors;

(iii) with respect to a foreign company covered under these rules, the CSR Committee shall comprise of at least two persons of which one person shall be as specified under clause (d) of sub-section (1) of section 380 of the Act and another person shall be nominated by the foreign company.

(2) 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 sub-rule (1) of rule 4;

(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: Provided that 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.

Rule 6: The Rule 6 has been Omitted in the Companies (Corporate Social Responsibility Policy) Rules, 2014

Rule 7: CSR Expenditure

(1) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

(2) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and 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 six months of the expiry of the financial year.



(3) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 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, if any, in pursuance of sub-rule (2) of this rule.

(ii) the Board of the company shall pass a resolution to that effect.

(4) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

(a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

Rule 8: CSR Reporting

(1) The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

(2) In case of a foreign company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

(3) (a) Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

Rule 9: Display of CSR activities on its website, -

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

Rule 10. Transfer of unspent CSR amount. -

Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.

**D) CSR Committee:-**

CIL has constituted Corporate Social Responsibility Committee (the “CSR Committee”) in line with Section 135 of the Companies Act, 2013 (the “Act”). The CSR Committee consists of following members of the Board:

- Mr. Amit Kachhawa
- Mr. Mahendra Brahmhatt
- Mr. Anupam Saxena

The CSR Committee of the Board shall be responsible for:

- Review of CSR activities in the Company.
- Formulation of CSR Policy.
- Monitoring of implementation of CSR Policy.
- Recommend to the Board, modifications to CSR Policy as and when required.

E) Objective of CSR

The key purpose of this Policy is to:

- Outline the development areas in which the Company shall get involved in.
- Define governance structure for CSR management within the Company.
- Serve as a guiding document aiding in identification, execution and monitoring the CSR projects.
- Describe the treatment of surpluses from CSR activities, if any.
- Define the approach and direction given by the Board of the Company, taking into account the recommendations of the CSR Committee.

F) CSR Vision Statement

CIL’s CSR Vision is as under:

“To deploy the resources optimally for the upliftment of the socially backward and downtrodden as a concerned corporate citizen.”

G) CSR Mission Statement

Effectively comply with the requirements of the provisions of the Corporate Social Responsibility enacted by any law for the time being in force.

H) Specific Measures

In the aforesaid backdrop, policy on CSR of CIL is broadly framed taking into account the following measures:

1. The CSR activities shall be undertaken by CIL as stated in this Policy as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
2. The CSR activities which are exclusively for the benefit of the Team Members or their family members shall not be considered as CSR activity in terms of the Companies Act, 2013.
3. CIL shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.
4. The Board of CIL shall decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or a company established by CIL



or its holding or subsidiary or associate company pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder.

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;
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. Slum area development.
[For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]
12. In addition to the above, the Company may select any area/ sector/ activity or head of activities, as may be specified in Schedule VII to the Companies Act, 2013 including any amendments or modifications as may be introduced from time to time.

**I) Undertaking CSR Activities**

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.

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 helps 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.

J) Budgets

The total budget for the CSR projects in each financial year will be decided by the CSR Committee in accordance with applicable provisions of the Act and the CSR Rules and the CSR Committee will recommend the amount of expenditure to be incurred on the activities to the Board for its approval.

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

K) Management's Commitment

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. This is the cornerstone of our CSR policy.

This CSR Policy is subject to such changes and amendments as may be notified by the Ministry of Corporate Affairs under Section 135 of the Companies Act, 2013 and rules made thereunder and the same shall be read in line with the provisions of the Act applicable to the Company from time to time.

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ANNEXURE

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN
THE BOARD'S REPORT- The format is attached as an Annexure to this CSR Policy**