

CSR POLICY

1. Preamble:

India is one of the largest growing economies in the world. However, it continues to be deluged with various problems and challenges of poverty, health hazards, environmental degradation, illiteracy, poor educational standards, inadequate infrastructure, power crisis and the largest number of undernourished children which many believe, the root cause of social unrest.

The concept and need for Corporate Social Responsibility (CSR) has gained prominence from all avenues. The Government as well as regulators has framed various guidelines pertaining to responsibilities of business as well as the mandatory Corporate Social Responsibility provisions under the Companies Act, 2013 and Rules made thereunder ("Act"). It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability.

Gujarat Informatics Limited (GIL) believes that in alignment with its vision, it will continue to enhance value through its CSR initiatives and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons.

This policy encompasses the company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large, is titled as the 'GIL CSR Policy'.

This policy shall apply to all CSR initiatives and activities taken up for benefit of the society.

2. Policy / CSR Activities

- (i) The Policy recognizes that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 read with Schedule VII of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014.

- (ii) The CSR activities would primarily focus on initiatives such as education, health, environment, women empowerment, livelihood promotion, sanitation, slum improvement and disaster management. Initiatives of State Governments as well as Central Government Departments /Agencies could be synergized with CSR activities. The activities should come within the scope those listed in the Companies Act and Rules made thereunder.
- (iii) Any other Projects / activities the Government may add from time to time to the schedule VII of the Companies Act, 2013 or allow through clarifications/ Circulars.

3. Annual spends / Allocation of Funds:

- (i) The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.
- (ii) The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.
- (iii) However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

4. Planning and Implementation:

- For the purpose of focusing its CSR efforts in a continued and effective. The main thrust area identified besides other activities permitted under the Act.
- A list of CSR activities /programmes/projects which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same if any.

5. Monitoring:

- Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution of CSR and expenditures will be undertaken on a requirements basis and same will be available to the Board of Directors of the Company.
- Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company
- The CSR Committee and persons /entities authorised by it, will conduct due diligence checks on the current activities /projects on a quarterly basis and report anomalies, if any, immediately.

6. Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Act on the subject as may be issued from relevant statutory authorities, from time to time