



CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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I. TITLE

This Corporate Social Responsibility Policy shall be called the Cambridge Technology Enterprises Limited – Corporate Social Responsibility Policy (hereinafter referred as the “CSR Policy”)

II. SCOPE

This document outlines the Policy of Cambridge Technology Enterprises Limited (hereinafter referred to as ‘CTEL’ or ‘the Company’) towards Corporate Social Responsibility, in accordance with section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

The Board of Directors may based on its assessment of the Company’s needs, financial soundness, legal and regulatory developments, subject to compliance with the applicable laws and rules, at any time modify, change, vary, alter, amend, this CSR Policy.

III. APPLICABILITY

The Policy shall apply to all CSR projects / programmes / activities undertaken by the Company in accordance with the clauses contained herein.

IV. OBJECTIVE

The objective of framing this CSR Policy is to ensure that the Company operate its business in an economically, socially & environmentally sustainable manner by enhancing the quality of life & economic wellbeing of the society in fulfillment of its role as a Socially Responsible Corporate.

V. DEFINITIONS & INTERPRETATION

1) Definitions

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or reenactments thereof.

In this instrument the following expressions including their grammatical variations and cognate expressions shall, unless repugnant to the context or meaning thereof, have the meaning assigned to them respectively hereunder:

“**Act**” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

“**Associate Company**” means a Company within the meaning of section 2(6) of the Companies Act, 2013 including any amendment thereof.

“**Board**” means the Board of Directors of the Company.



“Board’s Report” shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

“Company” means Cambridge Technology Enterprises India Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Unit No. 04 – 03, Level 04, Block 1, Cyber Pearl, Hitec City, Madhapur, Hyderabad (TS) – 500 081 and their successors and assigns.

“CSR” means Corporate Social Responsibility.

“CSR activities” means the activities or projects or programmes as recommended by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas falling under the clause VI(i).

“CSR Committee” means the Committee of the Board constituted for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.

“CSR Policy” means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

“CSR Rules” means Companies (Corporate Social Responsibility) Rules, 2014.

“Independent Director” means a non-executive director of the Company within the meaning of section 2(47) of the Companies Act, 2013 and clause 49(1)(a)(iii) of the Listing Agreement entered with the Stock Exchange(s).

“Holding Company” means a Company within the meaning of section 2(46) of the Companies Act, 2013.

“SEBI” means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992.

“Subsidiary Company” means a means a Company within the meaning of section 2(87) of the Companies Act, 2013.

II) Interpretation

In this document, unless the contrary intention appears:

- a) the singular includes the plural and vice versa;
- b) the word “Person” includes an individual, a firm, a body corporate or unincorporated entity or any authority; and
- c) any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders.

III) Article Headings

Article headings are for information only and shall not affect the construction of this document.

IV) References

- a) A reference to a Clause is respectively a reference to a Clause of this document.
- b) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

VI. CSR ACTIVITIES:

- i. The Company shall undertake various CSR activities as recommended by the CSR Committee and approved by the Board from time to time in any one or more of the areas falling under the following as specified in Schedule VII of the Act:
 - a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care] and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water;
 - b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - c. 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;
 - d. 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 setup by the Central Government for rejuvenation of river Ganga;
 - e. 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;
 - f. Measure for the benefit of armed force veterans, war widows and their dependents;



- g. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;
- h. 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 Schedule Tribes, other backward classes, minorities and women;
- i. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j. Rural development projects.
- k. Slum area development.
- ii. The CSR activities shall be undertaken by the Company in adherence with this CSR Policy, either new or ongoing and shall exclude activities undertaken in pursuance of its normal course of business.
- iii. The CSR activities shall be undertaken only in India.
- iv. The CSR activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with this Policy.
- v. Contribution of any amount directly or indirectly to any political party under section 182 of the Act by the Company, shall not be considered as CSR activity under this Policy.

VII. POWERS OF THE BOARD:

- i. The Board of the Company will be responsible for:
 - a. Forming a CSR Committee with such Directors as its members as it may deem fit and in accordance with the section 135 of the Act read with CSR Rules.
 - b. Reviewing and approving the CSR policy as recommended by the CSR Committee.
 - c. Monitoring the implementation of the CSR policy by the CSR Committee in accordance with this Policy.
 - d. Ensuring that the Company spends on the CSR activities as per clause IX(2) of this Policy. In case the Company fails to spend the said amount during any financial year in CSR activities, then the Board shall in its report specify the reasons for such failure.

- e. Ensuring that in every financial year, the funds budgeted by the Company for CSR activities are utilized effectively.
 - f. Disclosing in its report, the annual report on CSR as per the format specified under CSR Rules.
 - g. Ensuring the placing of CSR Policy on the Company's website in such manner as may be prescribed by the Ministry of Corporate Affairs or any other regulatory bodies of India.
- ii. The Board may decide to undertake the CSR activities as recommended and approved by the CSR Committee, through
- a. a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or along with any other company.
 - b. or 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 any entity established under an Act of Parliament or a State legislature.
- Provided that- if, the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilization of funds of such projects and programs and the monitoring and reporting mechanism.
- iii. The Board may also decide to collaborate with other companies for undertaking the CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such CSR activities in accordance with CSR Rules.
 - iv. The Board, if required, may also appoint any external agency for the purpose of measuring the impact of the work done or a social satisfaction survey.
 - v. The number of members of CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to Act and such rules and regulations as may be in force. The Board may also provide that the CSR Committee shall exercise certain powers only after consultation with the Board and in such case the said powers shall be exercised accordingly.
 - vi. The Board in its absolute discretion may from time to time modify, change, vary or the CSR Policy, provided that such amendment or alteration shall be in compliance with the applicable clauses of Act and CSR Rules.



VIII. CSR COMMITTEE:

i. Purpose:

The Corporate Social Responsibility (CSR) Committee of the Company will be formed by the Board of Directors of the Company to assist the Board in carrying out its responsibilities as per the CSR policy of the Company.

ii. Composition of the CSR Committee:

- a. The CSR committee shall comprise of three or more directors as the Board may deem fit from time to time, to be appointed from amongst the Directors. Provided however that atleast one of the directors of the CSR Committee shall be an Independent Director. The Board shall at its sole discretion, have the power to appoint any Director, remove any such Director so appointed and appoint another in his place. Any such appointment and/or removal shall be made by a resolution of the Board.
- b. The Chairperson of the Committee shall be designated by the Board from among the Committee members.
- c. The Company Secretary of the Company shall act as Secretary to the Committee.
- d. The Board will have the power to reconstitute CSR Committee as and when required from time to time.

iii. Meetings:

The CSR committee may meet as and when required. The CSR Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations if it so thinks fit.

iv. Quorum:

The quorum necessary for the transaction of business of CSR Committee shall be 2 members or 1/3rd of the total committee members, whichever is higher.

v. Roles:

The CSR Committee shall ensure the following:

- a. Formulation of CSR policy in accordance with section 135 of Act read with CSR Rules, and recommends the same to the Board for approval and adoption.
- b. Monitor the implementation of CSR policy in the Company as provided herein.
- c. Identification of the activities to be undertaken by the Company under CSR activities as provided herein under clause VI(i).



- d. Identification of the geographical areas in and around the facilities of the Company and other areas, for spending the amount earmarked for CSR activities.
 - e. Recommendation of the amount of CSR expenditure to be incurred on the activities as referred to under clause VI(i) of this Policy.
 - f. Recommendation to the Board for modification(s) to the CSR policy as and when required.
 - g. Establish a transparent monitoring mechanism for implementation of the CSR activities undertaken by the Company.
 - h. Frame any other byelaws, rules or procedures as it may deem fit for administering the CSR Policy.
- b. CSR Committee, in the exercise of its powers, may require any information from the company, and / or seek the assistance of any employee of the Company as it may deem fit to effectively discharge its duties.
 - c. Perform all functions as may be delegated by the Board from time to time.

IX. CSR EXPENDITURE:

1. The Board of Directors 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:

Note: "average net profit" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

2. The expenditure shall be made on the CSR activities as specified under clause VI(i) and approved by the Board.
3. Any surplus arising out of CSR activities shall not form part of business profit of the Company.
4. If the company fails to spend such amount as specified in IX(1), the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the Companies Act, 2013, specify the reasons for not spending the amount.
5. Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.



6. Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads, shall not exceed five percent of total CSR expenditure of the company in one financial year.

X. IMPLEMENTATION & REPORTING:

1. The CSR Policy shall be implemented by the CSR Committee under the broad policy and frame work laid down by the Board in this regard from time to time.
2. The CSR Committee shall identify the CSR activities along with the geographical area to be undertaken by the Company based on the detailed study & research.
3. Preference shall be given to the local area and areas around the place where Company operates, for spending the amount earmarked for CSR activities.
4. On determination of the modalities, the CSR Committee shall place the proposal before the Board. The proposal may contain the following:
 - List of CSR activities to be under taken.
 - Geographical areas wherein such CSR activities are to be undertaken.
 - Defined expected timelines & outcomes.
 - Budget.
 - Implementation source, either directly or through some trust, society, company or otherwise.
 - Monitoring system.
5. The Board shall review the proposal of the CSR Committee and if deems fit may approve the recommendation of the Committee.
6. The CSR Committee shall authorize one of its members to approve the release of funds against the verified work plans in accordance with the approved budget for undertaking the CSR activities as approved by the Board. Such authorized members shall as and when require update the members of the Committee about the allocation / utilization of funds towards the CSR activities.
7. In case the CSR activities are undertaken directly by the Company, the CSR Committee with the help of any department of the Company shall direct and supervise the implementation of the CSR activities. The Company shall provide the adequate manpower and resources for the effective implementation of the approved CSR activities as may be undertaken from time to time.
8. In order to widen the Company's reach and leverage upon the collective expertise, wisdom and experience, the CSR activities may be undertaken as per Clause VII(ii).



9. The CSR Committee shall provide report to the Board on the implementation of CSR activities, as and when required.
10. On completion of the CSR activities, the Chairman of the CSR Committee shall provide a detailed report to the Board including but not limited to activities done, amount spent, benefits, time consumed, type of beneficiary communities, implementation channel etc.
11. The Board shall disclose in its report, the annual report on CSR as per format specified under CSR Rules. In case the Company could not spend the amount as per clause IX(1), the Board shall in its report specify the reasons for such failure.
12. The Board shall ensure the placing of CSR Policy on the Company's website in such manner as may be prescribed by the Ministry of Corporate Affairs or any other regulatory body.