

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**OF**

**ADC INDIA COMMUNICATIONS LIMITED**

[Pursuant to Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014]

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## OVERVIEW

As a part of ADC INDIA COMMUNICATIONS LIMITED Responsibility Advantage Community Program and as required under the provisions of Companies Act, 2013 ("**Act**"), ADC INDIA COMM LIMITED ("**Company**") is pleased to announce its Corporate Social Responsibility Policy ("**CSR Policy**" or "**Policy**").

## CSR FOCUS AREAS

CSR programs / projects to be undertaken by the Company are aligned to the community activities undertaken to empower and encourages its employees to involve in philanthropic activities and offers turn-key tools and resources to guide and facilitate community involvement efforts.

Accordingly, the focus areas for the CSR programs / projects to be undertaken by the Company under this Policy shall be in the following areas:

- (i) **Environment:** To undertake various activities in relation to increasing accountability through investments in energy and the environment, ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, maintaining quality of soil, air and water.
- (ii) **Health and Wellness:** To promote healthcare including preventive health care and sanitation, making available safe drinking water and to undertake other activities in relation to health and wellness.
- (iii) **Education:** Fostering innovation through investment in education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently enabled, emphasizing on science, technology, engineering and mathematics.
- (iv) **Technology** To contribute to the technology incubators located within academic institutions which are approved by the Central Government.
- (v) **Disaster Relief:** To contribute to disaster relief efforts in compliance with legal guidelines and Schedule VII of the Companies Act 2013.
- (vi) Company may promote employee volunteerism in the CSR programs.
- (vii) All other activities which might get added to Schedule VII from time to time including the activities listed above.
- (viii) Every activity to be undertaken by the Company under the above-mentioned areas shall be approved by the CSR Committee. For the purpose of carrying out the CSR Programs / projects, preference shall be given to the local area and the areas around which the Company operates.

## **IMPLEMENTATION OF CSR PROGRAMS/ PROJECTS**

The Company may carry out the CSR programs / projects in accordance with the terms of this Policy, either on its own, or through a registered trust or registered society.

If the Company chooses to carry out the CSR Programs / projects through a registered trust or registered society or a section 8 company incorporated under the Act, which is established by a third party ("**CSR Partner**"), guidelines mentioned hereunder are required to be followed in choosing such CSR Partner.

### **GUIDELINES FOR CHOOSING A CSR PARTNER**

- 1.** CSR Partner shall be either a registered trust or a registered society under the applicable laws or a company incorporated under Section 8 of the Act with an established track record of 3 years in undertaking activities in the focus areas in which the Company intends to carry out CSR Programs / projects.
- 2.** The board of directors or the trustees or the management committee members or the governing body members, as the case may be, of the CSR Partner, shall have at least three years of experience and expertise in carrying out CSR programs / projects in the focus areas in which the Company intends to carry out CSR Programs / projects.
- 3.** The board of directors or the trustees or the management committee members or governing body members of the CSR Partner, as the case may be, or the members of the CSR Partner or the CSR Partner itself, shall not in any way be, directly or indirectly, connected with any political parties and the CSR Partner should not be, directly or indirectly, promoted by political parties.
- 4.** CSR Partner shall not engage in religious or political activities, for the private benefit of the CSR Partner, discriminate on the basis of race, colour, religion, sex, age, national origin, citizenship status, disability, sexual orientation or veteran status.
- 5.** The board of directors or the trustees or the management committee members or governing body members of the CSR Partner, as the case may be, or the members of the CSR Partner should not be adjudicated as an insolvent or convicted by a Court of any offence involving moral turpitude.
- 6.** CSR Partner should not be or should not have been a party at any time to bankruptcy or insolvency or winding up proceedings or to proceedings involving a composition of creditors or should not make or should not have at any time made an assignment for the benefit of creditors. Custodian, receiver or any other person with like power should not have been appointed

to take charge of or liquidate all or a part of its business, property or assets or no order should have been made or a resolution should have been passed for the winding-up or liquidation or any corporate proceedings for its liquidation, winding-up or dissolution.

7. The Company shall conduct a due diligence on the CSR Partner and satisfy itself of its credibility, compliance status and ability to carry out CSR Programs / projects on behalf of the Company through a process proposed by the CSR Committee before on-boarding as CSR partner.
8. The CSR Committee shall discuss the CSR Policy and the objectives of the Company in this regard with the proposed CSR Partners.

### **CSR FUND**

The Company shall create a separate cost center to monitor the CSR spend for each financial year, which shall not be less than 2% of the average net profits of the company made during the three immediately preceding financial years. Any surplus arising out of CSR Programs / projects implemented by the Company shall not form part of business profits.

In the event Company fails to spend the amount earmarked for the CSR Programs / projects in a financial year, the CSR Committee shall submit a report in writing to the board of directors of the Company specifying the reasons for not spending the amount which in turn shall be reported by the board of directors of the Company in their report to the shareholders of the Company for that particular financial year.

### **CSR COMMITTEE**

CSR Committee shall be constituted by the Board of Directors of the Company. The roles, responsibilities and functioning of the CSR Committee shall be as provided below:

**Constitution:** CSR Committee shall consist of not less than three Directors of the Company, out of which at least one Director shall be an independent Director.

**Quorum:** Two directors or majority of the committee members, personally present or via videoconferencing or phone conference whichever is higher, shall form quorum for every meeting of the CSR Committee. Provisions relating to conducting board meetings via video conferencing call shall apply mutatis mutandis to the CSR Committee meetings.

**Meetings:** The meetings of the CSR Committee shall be held at least once every financial year. Meetings can be convened at such time, at such place and on such day, as the members of the CSR Committee may deem fit. The minutes recording the proceedings of the CSR Committee meetings shall be placed before the next board meeting of the Company for approval.

**Notices:** Any one of the CSR Committee members shall be authorized to issue notice to convene the meetings of the CSR Committee. Every notice convening the meeting of CSR Committee shall be accompanied by a detailed agenda and the draft resolutions to be passed at such meetings.

**Membership:** Membership of the CSR Committee is restricted only to board of directors of the Company. The CSR Committee may invite experts from various fields to attend its meetings fromtime to time. We may invite business heads for these meetings.

**Decisions:** Matters transacted at the meetings of the CSR Committee or by way of resolutions by circulation shall be decided by majority vote of the CSR Committee members. Secretarial assistance to minute the meetings will be provided by the Company.

**Matters to be transacted:** CSR Committee shall at its every meeting discuss the following matters:

- (i) Preparation of budget outlay for each of the CSR Programs /projects.
- (ii) Implementation schedule for each of the CSR Programs / projects; & monitoring.
- (iii) Allocation of responsibilities to carryout CSR Programs / projects.
- (iv) Report on the CSR Programs / projects carried out from the date of last meeting till datewith supporting documents.
- (v) Discussion on the new proposals, if any.
- (vi) Road map for the CSR Programs / projects to be carried out for the next 3 months; and
- (vii) Any other matter as the CSR Committee may deem fit.

## **ROLE AND RESPONSIBILITIES OF THE CSR COMMITTEE**

CSR Committee shall:

- (i) formulate and recommend the CSR Policy to the board of directors of the Company. Any amendments to be carried out to the CSR Policy shall be taken up by the Board only with the recommendation of CSR Committee.
- (ii) recommend the amount of expenditure to be incurred by the Company in each financialyear in relation to the CSR Programs / projects to the board of the directors of the Company. Such expenditure shall be calculated in accordance with the provisions of the Act after consulting with the finance department of the Company.

- (iii) identify and recommend CSR programs/projects to the board of directors of the Company which are covered under this Policy by providing a project proposal. The project proposal shall elaborate on the focus of CSR programs/projects need, modalities of execution, CSR Partner(s), budget estimate, implementation schedule and location where the CSR programs/projects are proposed to be implemented and impact of such CSR Programs / projects on the target audience.
- (iv) allocate budget to each of the CSR programs/projects and the CSR Partners.
- (v) undertake all necessary steps to implement the CSR programs/projects in accordance with the implementation schedule, as approved by the Board.
- (vi) monitor the CSR programs/projects in such manner as prescribed in this Policy.
- (vii) update the board of directors from time to time on the progress of the CSR programs/projects along with a report on the amount allocated for such activity, amount utilized, amount unspent, if any, additional funds required, if any and expenditure incurred.

#### **MONITORING MECHANISM**

The CSR Committee shall monitor the CSR Programs / projects and provide updates in its activities during the quarterly meeting of the CSR Committee. The update shall include a summary of programs implemented, funds allocated and utilization of the same at that point in time.

#### **REPORTING**

The board of directors of the Company shall provide the following information in its report to its shareholders as well as on the website of the Company:

- (i) Brief outline of the CSR Policy.
- (ii) Website Link to CSR Policy and update on the CSR Programs / projects undertaken by the Company.
- (iii) Composition of CSR Committee.
- (iv) Prescribed CSR Expenditure.
- (v) Total amount to be spent in a financial year and amount unspent, if any, along with the reasons.
- (vi) Manner in which the amount spent on CSR Programs / projects during a financial year in the following format:
  - (a) CSR Programs / projects identified.
  - (b) Sectors in which the CSR Programs/ projects are covered.
  - (c) CSR Programs / projects Undertaken - (1) Local Area or Other; and (2) Specify the State and district where CSR Programs / projects were undertaken.

- (d) Amount outlay (budget) for each of the CSR Activity.
- (e) Amount spent on the CSR Programs / projects - ( 1) Direct Expenditure; (2)Overheads.
- (f) Cumulative expenditure up to the reporting period.
- (g) Amount spent - (1) Direct; (2) Implementing agency.
- (h) Details of the implementing agency.
- (vii) Reasons for the Company failing to spend the amount required under the Act, on the CSR Programs /projects.
- (viii) Responsibility statement from CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives.

### **BUSINESS PARTNER MANAGEMENT PROGRAM**

All the potential CSR partners shall be scanned and checked through the Business Partner Management Programme (BPMP/Securimate) before on-boarding as CSR partner.

### **SELF GOVERNANCE**

The Company, its board of directors, employees, officers, CSR Committee members and its invitees:

- (i) Shall not directly or indirectly engage in lobbying of CSR Programs/Projects.
- (ii) Shall not accept any kind of favors and gifts, in any form, from any prospective potential CSR Partners or beneficiaries as a result of consideration of the proposal to grant funds to such CSR Partners or beneficiaries under this Policy.
- (iii) Shall discuss any potential or Existing Conflict of interest to the Company, which, may be existing or has come up during the project with the CSR partner.

### **POLICY REVIEW AND FUTURE AMENDMENT**

The CSR Committee shall annually review the CSR Policy and make suitable changes as may be required and submit the same for the approval of the Board of Directors of the Company.