

## **Purpose**

The Policy has been produced to provide guidance relating to Corporate Social Responsibility to ensure that the Company operates on a consistent and compliant basis.

## **CSR POLICY**

**THE STAR CODE INDIA** , here by referred to as the “Company”, is committed to give back to the community by engaging itself in activities in the field of research, education, healthcare, social and outreach and it seeks to further these objectives through trust, societies and other organisations which serve the society with similar objectives.

# **1. Constitution and functioning of CSR Committee**

The Board of the Company will be responsible for (i) approving CSR policy and disclose its contents in Directors' Report of the company each year and on the company's website, (ii) ensure that activities are undertaken as per the CSR policy (iii) ensure that the company spends at least 2% of the average net profit during the three immediately preceding financial years on CSR activities.

The responsibilities of the CSR Committee include:

- a. To formulate and recommend the CSR policy to the Board which shall indicate the activities to be undertaken by the Company as specified in Schedule VII
- b. To recommend the amount of expenditure to be incurred
- c. To execute the CSR Policy that recommends CSR activities, the amount of expenditure to be incurred on the activities referred to and monitor CSR spends
- d. To monitor CSR activities through a transparent monitoring mechanism for Implementation of the CSR projects or programmes or activities undertaken by the Company.
- e. To periodically monitor the implementation of the CSR policy

# **2. Budget & Expenditure**

The Company shall spend a minimum 2% of the average net profit during the three immediately preceding financial years on CSR activities.

Subject to provisions of sub-section (5) of Section 135 of the Act, the Company can undertake CSR activities through outside trusts, societies or companies only in India, provided that these have at least 3 years of track record of undertaking such activities. It will be preferable that neither the Board of Directors nor the CSR Committee members have any direct interest in the said entity. The Company may also collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spends provided that the CSR Committees of the respective companies are in a position to report separately on such projects

or programmes in accordance with these rules.

The Company, post deliberation, has decided that a review of past performance of any trust, society or company as approved by the Board will be carried out by the Company prior to any contribution being made to them.

The Company may build CSR capacity through its own employees or through any implementation agency. However, the total expenditure should not exceed 5% of the total CSR expenditure in that year.

CSR expenditure shall include all expenditure including contribution to corpus for projects or programmes relating to CSR activities approved by the Board on the recommendation of its CSR Committee which fall within the purview of Schedule VII of the Act.

CSR expenditure will exclude those:

- i) incurred in the normal course of business
- ii) incurred for benefit of employees or their families
- iii) direct or indirect contribution to political party/group or person
- iv) direct or indirect contribution to religious association/organisation/outfit or person

In case any amount is left unspent, the Director's Report will specify the reasons for this

### **3. Focus Areas**

After due deliberations of the Committee, it is proposed to channel the CSR efforts towards any of the activities as mentioned in Schedule VII of the Act:

- eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled together with livelihood enhancement projects;
- Promoting gender equality and empowering women;
- Reducing child mortality and improving maternal health;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Providing nutritional food and/ or drinks to students/poor children;
- Promotion and development of sports and National Games including marathon etc;
- Environment protection and Go Green Initiatives;
- Employment Opportunities;

### **4. Community Investment/CSR Activities - Request for Proposal, Due Diligence and Disbursement of Funds**

The CSR activities/community investment shall be undertaken by the Company as per its stated CSR Policy, as projects or programmes or activities (either new or ongoing).

Community investments should bring a lasting benefit to society and as per the focus areas, promote healthcare and/or education.

Proposals by the CSR Committee regarding disbursement of community investment funding are subject to the following checks. All CSR projects should:

- Reflect the key themes of healthcare and/or education

- Ensure due diligence is completed for the trust/society/company including a field visit by the Company staff wherever possible

- Allow for staff engagement through volunteering where possible or appropriate

Once agreed by the CSR Committee, the list of projects will be submitted to the Board of Directors for approval.

On approval by the Board, the CSR Committee may release funding to the

trust/society/company in the amounts agreed without further reference to the Board. Any deviations to projects previously approved by the Board must be resubmitted to the Board for reassessment and approval.

## **5. Monitoring**

The CSR Committee is responsible for monitoring impact of CSR activities, projects and programmes undertaken. It will ensure a transparent monitoring process. Projects will be monitored through:

- Quarterly/half yearly/annual progress report (whichever are applicable)

- Fund utilization/expense report/project report/certificate

- Field visits by members of the CSR Committee or team constituted, if any – at least once for every project in the financial year, wherever feasible

- Employee volunteering initiatives wherever possible

## **6. Reporting**

The Board of Directors of the Company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the Company and disclose contents of such policy in its report as per the particulars specified in the Annexure I and the policy shall also be displayed on the Company's website.

## **7. Declaration**

The Company confirms that any profit arising out of CSR projects or programmes or activities shall not be included in business profits.

## **8. CSR Team and Employee Engagement**

The CSR Committee will be responsible for CSR at the Company. No employee will carry out any activity in the name of the Company.

As much as possible, volunteering will be an important component of all CSR initiatives.

Volunteering will be encouraged under the theme 'Partnering for Change' for all CSR activities of the Company as engaging employees in community investment programmes is an opportunity to sensitize them and increase camaraderie and bonding among them.

Volunteering also ensures that the investments are maximized as colleagues are present to monitor progress and can check that funds are used for the purpose for which they have been given.

