



XTGLOBAL INFOTECH LIMITED **CORPORATE SOCIAL RESPONSIBILITY** **(CSR) POLICY**

In accordance with the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of **XTGLOBAL INFOTECH LIMITED** (“the Company”) was constituted by the Board of Directors of the Company at their meeting held on 26th May, 2022.

Preamble:

We, at XTGlobal Infotech Limited believe that our business is built around strong social relevance of inclusive growth by supporting the common man in meeting their financial needs. We equally believe that creation of large societal capital is as important as wealth creation for our shareholders. As a responsible human organization, we are committed towards the above objective and are keen on developing a sustainable business model to ensure and activate our future growth drivers. In line with the regulatory expectations, we are putting in place a formal policy as a guide towards our social commitment going forward.

Corporate Social Responsibility (CSR) is fundamentally a philosophy or a vision about the relationship of business and Society. The emerging concept of CSR goes beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into company’s business process.

Pursuant to Section 135 of the Companies Act, 2013 and the rules made thereunder, every company which meets the criteria as mentioned in the said Section shall constitute a CSR Committee of the Board for implementation of CSR projects or programs or activities undertaken by the Company.

This policy is designed to discharge the Company’s responsibility as a corporate citizen and to lay down the guidelines and mechanism for carrying out socially useful activities / projects and programs for welfare & sustainable development of community at large.

The terms, rules and regulations mentioned in this policy are as per the Companies Act, 2013 and rules made thereunder.

Key words & meanings:

1. “Act” shall mean the Companies Act 2013, including any modifications, amendments or re-enactment thereof.
2. “Approved Budget” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
3. “Board” shall mean the Board of Directors of the Company.
4. “CSR” means and includes but is not limited to: -
 - i) Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013; or
 - ii) Projects or programs relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this policy.
5. “CSR Annual Plan” shall mean the annual plan detailing the CSR expenditure for the year.
6. “CSR Committee” shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act.
7. “CSR Policy” shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
8. “Net profit” shall mean the net profit as per Sec 135 of the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.
9. “Rules” shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

Policy Objectives:

The objective of the CSR Policy (“Policy”) is to lay down the guiding principles in undertaking various Programs and projects by or on behalf of the company relating to Corporate Social Responsibility (“CSR”) within the meaning of section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the CSR Policy Rules 2014. (“Rules”)

CSR Activities:

The activities that the Company may undertake shall be (inter alia):

- eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of 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 and livelihood enhancement projects.
- 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.
- 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 set-up by the Central Government for rejuvenation of river Ganga.

- 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 art and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Tribes, other backward classes, minorities and women;
- a. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- b. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- rural development projects
- slum area development (Explanation- 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)
- disaster management, including relief, rehabilitation and reconstruction activities.

Amount of expenditure to be incurred on the CSR Activities:

The Board of the Company shall ensure that the Company spends the following amounts for CSR activities in pursuance of this Policy:

- i) 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. The "average net profits" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013 and the rules made there under from time to time.
- ii) Any income arising from the activities mentioned above.
- iii) Surplus arising out of CSR activities.
- iv) Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013, shall not be considered as CSR activity.
- v) Amount spent on CSR activities shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on

the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

- vi) The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

CSR Committee Constitution:

The Committee comprises of the following members of the Board:

S. No.	Name of the Director	Position
1	Venkata Appala Narasimha Raju Kalidindi	Chairperson
2	Jagannatha Prasad Malireddy	Member
3	Mrs. Vuppuluri Sreedevi	Member

- The Committee members shall be appointed by resolution of the Board. Each member shall continue as a member until a new member is appointed, unless the member resigns, or is removed by resolution of the Board or otherwise ceases to be a member of the Board.
- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board, and shall be filled by the Board if the membership of the Committee is less than two (2) members as a result of the vacancy.
- The Board, or in the event of its failure to do so, the Committee, shall appoint a Chair from among the Committee members. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among the members present.
- The Chair presiding at any meeting of the Committee shall have a vote in all matters considered by the Committee. In the event of a tie the motion is defeated.
- The Committee shall assist with deliberations required for the fulfillment of the Board’s mandate and those specific responsibilities and duties assigned to the Committee; however, unless specifically stated otherwise, the Committee shall act in advisory capacity only, recommending decisions to the Board for approval.
- The Committee may delegate its responsibility to any senior or key managerial person as and when deemed fit or a Sub-committee may be constituted by the Committee for implementation of CSR Programs.
- Composition of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

Role of the CSR Committee:

- i) Formulate the CSR policy and recommend the same to the Board for approval which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the said Act,;

- ii) Recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company; and
- iii) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- iv) Review and recommend any new CSR initiatives to be taken up by the company.
- v) Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects.
- vi) Review and recommend the CSR report to be included in the board's report.
- vii) Review and recommend any amendments to be made in the CSR policy of the Company.
- viii) To carry such other functions as may be delegated to it by the board relating to CSR activities of the company.

Meetings:

- A meeting of the Committee may be called by the Chair of the Committee, the Chair of the Board or by any two (2) members of the Committee.
- A quorum for meetings shall be two (2) directors present in person or by audio visual mode that permits all persons participating in the meeting to speak and hear one another.
- Reasonable notice, preferably (7) days before the meeting, shall be given in writing, by e-mail or by hand delivery to each member of the Committee, however if all the members of the committee permit, the meeting of the committee shall be called on shorter notice.
- The Agenda and associated material shall be sent to each member of the Committee prior, preferably seven (7) days, to the time for such meeting.
- The Committee shall have the right to determine who shall and shall not be present at any part of the meetings of the Committee.

Modalities of execution and implementation

CSR activities may be initiated / implemented/ executed:

- i) By the Company; or
- ii) Through:
 - A registered trust, registered society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013.
 - If such trust, society or a company is not established by the Company or its holding or subsidiary or associate company, the eligible CSR activities will be undertaken by trust, society or company which has an established track record of three years in undertaking CSR projects or programs.
 - The Company may also collaborate with other companies for undertaking CSR projects or programs or activities in such a manner that each company's part in such activity may separately be identified.
 - CSR capacities may be build of company personnel as well as those of implementing agencies through institutions with established track record of at least three financial years but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

- An agreement / contract or any other written communication will be executed by the Company.
- CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.
- The Company's CSR activities may focus on environmental sustainability and shall give preference to the local area and areas around, where it operates, for spending the amount earmarked for CSR activities.
- The CSR activities shall be undertaken within India.
- The CSR projects or programs or activities that benefit only the employees of the Company and their families or activities undertaken in pursuance of normal course of business of the Company shall not be considered as CSR activities in accordance with this policy or under Section 135 of the Companies Act, 2013.

Role of the Board:

The role and responsibility of the Board shall include:

- Approval of CSR policy after taking into account the recommendations of the CSR Committee.
- Ensure that the contents of the CSR policy in Board's report and are displayed on website of the Company in the manner prescribed under the applicable statute.
- Ensure that the CSR activities are undertaken and executed by the Company as per this CSR policy and the applicable laws.
- Specify in the Board's report, the reasons, if the required amount is not fully spent in CSR activities.
- The Board shall report following particulars in Board's Report relating to CSR-
 - A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
 - The composition of the CSR Committee;
 - Average net profit of the company for last three financial years;
 - Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
 - Details of CSR Spent during the financial year;
 - In case the company has failed to spend 2% of the average net profit of the last three financial years, reasons thereof;
 - A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

General Governance:

The Committee shall have the following general duties and responsibilities to:

- Adopt an Annual Work Plan to ensure that duties and responsibilities listed in the Terms of Reference are scheduled to be achieved.
- Review annually, in conjunction with the Governance Committee, and report to the Board on the adequacy of the Committee's Terms of Reference.
- Provide formal evaluation in writing on the performance of the Committee on a biennial basis.
- Produce and provide to the Board an annual evaluation of the Committee, which shall compare the effectiveness of the Committee with the requirements of these Terms of Reference, including the Annual Work Plan.

Confidentiality:

All deliberations of the Committee, and all records, material and information pertaining to the Corporation obtained by a member of the Committee shall be considered confidential. Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

Amendment of Policy:

The CSR Policy of the company may be amended at any time by the board of the company on the Recommendation of the CSR committee.

Note:- The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.
