

INDIA TRANSACT SERVICES LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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❖ PREAMBLE

The Companies Act, 2013 enlists SCHEDULE VII (u/s135) for CSR activities to be read together with the CSR Rules, 2014 & circulars thereon (effective from 1st April, 2014)

India Transact Services Limited (the Company) is covered by the aforesaid provisions as it fulfills the Net Profit criteria (exceeding INR 5 crores) in terms of the provisions of section 135 (1) of the Companies Act, 2013. The Company is therefore required to constitute a CSR Committee of its Board of Directors, adopt a CSR Policy of the Company covering CSR activities (Schedule VII) & spend at least 2% of the average Net Profit of preceding three financial years towards CSR activities.

Utilisation of the CSR corpus whether utilised or unutilised will be in form of disclosure in the Director's Report.

The CSR activities may broadly cover social empowerment/development projects including but not limited to financial inclusion, promoting education/health care, environment conservation initiatives etc. The reporting of CSR activities undertaken by the Company will be disseminated through the Company's website and its Director's Report and will be updated to the Board as and when required by the Board.

❖ CSR Mission/Vision Statement of India Transact Services Limited (ITSL/the Company)

"The company through this policy strives to enrich society, both materially and socially while contributing towards social upliftment and preservation of the global environment."

❖ Guiding Principles / Philosophy

Our commitment is to improve the management of our Company every day to make it increasingly sustainable.

We are committed to: -

- Getting involved in the **COMMUNITY** and **SOCIAL FABRIC** of geographies wherein we operate and work towards community development and social upliftment by promoting social business projects and providing aid wherever possible.
- Minimising **ENVIRONMENTAL** impact and being more efficient in consuming resources, prioritising reduction and reuse, preserving the environment of the natural areas where there are infrastructure we manage and using the best available technologies that are economically viable so that our activities and services are environmentally more efficient by undertaking renewable energy projects.
- Providing added value for **SHAREHOLDERS** by managing financial resources efficiently with criteria of profitability and value creation and offering transparent information to all relevant stakeholders.
- Providing **EMPLOYEES** and **MEMBERS OF SOCIETY**, equality of opportunity and non-discrimination because of gender, religion, country of origin, age, disability or sexual orientation in all areas; applying the necessary measures to ensure health and safety in all workplaces and guaranteeing respect for human rights.
- Satisfying **CUSTOMERS** by offering **QUALITY** services adapted to their needs coupled with providing consumer protection services.

- Prioritising relations with **SUPPLIERS AND CONTRACTED COMPANIES** incorporating sustainability criteria in each action.
- **The Regulatory Framework**

The Companies Act, 2013 (“the Act”) read with the Rules framed thereunder and Schedule VII to the Act provides a framework for companies to define the key thrust areas in the CSR space. Further, the Act also provides instructions on agencies eligible for implementation through which companies may spend its CSR Expenditure. The Company’s CSR Policy and the implementing agencies shall therefore remain within the boundary set by the said Act, Rules and the Schedule framed thereunder.

❖ **Constitution of the CSR Committee**

The CSR Committee shall include such number of Directors as its Members as appointed by the Board from time to time in accordance with the provisions of the Companies Act, 2013.

*The Current composition of CSR Committee of the Company is as follows (Constituted on 25th September 2019):

Mr. Vijay Chugh	Chairman of the Committee
Mr. Sudip Bandyopadhyay	Member
Mr. Rahul N. Bhagat	Member
Mr. Ravi B. Goyal	Member

❖ **Scope of the CSR Committee**

- Formulate and recommend to the Board, the Corporate Social Responsibility (CSR) initiatives of the Company together with overseeing their implementation.
- Recommend and review the amount of expenditure to be incurred on the aforesaid CSR activities. “ITSL - CSR Corpus”
- Monitor, alter and amend the CSR Policy of the Company, as and when required.
- Prepare a transparent monitoring mechanism for ensuring implementation of the projects / programme / activities proposed to be undertaken by the Company in line with the CSR Policy.
- To discharge any other function as may be delegated to it by the Board and falling under the purview of the Company’s CSR Policy.

❖ **Implementation of CSR Policy**

The CSR projects will be implemented at local/regional/national level after the proposals have been cleared through a three stage clearance process i.e.

- Company Management - initial proposal for any CSR activity to be presented to the CSR Committee by Company management.
- CSR Committee - recommendation to the Board of Directors of viable projects.
- Board of Directors - final go-ahead & ensuring implementation of the approved CSR project.

Further, the CSR initiatives will be implemented in any of the following ways:

- Directly, or
- Through any other foundations, trusts, or a section 8 company (or erstwhile Section 25 company) or any other form of entity with a track record of at least three years in carrying out activities in related areas.
- Collaboration with other companies or institutions/associations for undertaking projects or programs for CSR activities.

❖ **Funds Allocation of ITSL CSR CORPUS**

The Company's CSR Corpus - "ITSL-CSR Corpus" for a given financial year (FY) would include at least 2% of the average Net Profit of preceding three financial years towards CSR activities (calculated as per the provisions of section 135 of the Companies Act, 2013 read together with the Companies CSR Policy Rules, 2014) with any surplus arising out of the CSR activities, both of which shall not form part of business profit of the Company.

In case the Company wants to set up a separate CSR department (internal capacity building) of the Company or create infrastructure for authorities who may help in implementing certain CSR activities, the budget for such exercise shall not exceed 5% of the total CSR budget in a year approved by the CSR Committee and Board.

❖ **CSR THEMES:**

The Company proposes to implement its CSR activities in some/all of the following areas as stated under Schedule VII of the Companies Act, 2013 (including all statutory re-enactments/amendments or modifications thereto, from time to time):

- (i) 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.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) 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.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water⁴[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].
- (v) 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;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (viii) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt;
- (x) rural development projects;
- (xi) 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.]

- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

❖ **Impact Assessment of the CSR Policy:**

The Impact Assessment of the CSR Policy will be done by the CSR Committee or the Board of Directors annually basis contribution made by the Company. As per statutory guidelines, yearly disclosures will be made in the Director's Report and on Company website.

- ❖ *The Company reserves the right to modify, alter, delete or amend the provisions of the CSR Policy adopted by the Board at their meeting held on 25th September, 2019.*