

INFO EDGE (INDIA) LIMITED

Corporate Social Responsibility (CSR) Policy

As originally approved by the Board of Directors in their meeting held on 16th October, 2014, Reviewed on 21st June, 2021.

1. PREAMBLE:

1.1 MEANING:

Corporate Social Responsibility (CSR) Policy means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan. This Policy is framed in terms of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

1.2. APPLICABILITY:

Info Edge CSR Policy outlines the Company's philosophy & the mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large as part of its duties as a responsible corporate citizen.

1.3. VISION & OBJECTIVES:

For Info Edge, Corporate Social Responsibility (CSR) means the integration of social, environmental and economic concerns in its business operations. CSR involves operating Company's business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of businesses. In alignment with vision of the Company, Info Edge, through its CSR initiatives, will continue to enhance value creation in the society through its services, conduct & initiatives, so as to promote sustained growth for the society.

OBJECTIVES:

- 1) To lay down guidelines for the Company to operate its business in an economically, socially & environmentally sustainable manner.
- 2) To contribute to society at large by way of social and cultural development, imparting education, training and development and skill enhancement programs for their development and generation of income.
- 3) To reinforce a positive and socially responsible image of the Company in the society.

1.4. DEFINITIONS:

1. "**Administrative overheads**" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

2. **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

2. RESOURCES:

2.1. FUNDING & ALLOCATION:

- a) For achieving its CSR objectives, Info Edge will allocate 2% of its average net profit as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013 made during preceding three financial years, as its “Annual CSR Budget”.
- b) The Annual CSR Budget shall also include any income arising on the 2% net profits allocated under (a) above as well as any surplus arising out of CSR activities. The surplus arising out of CSR activity shall not be part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- c) Any unspent CSR amount pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its CSR Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- d) At least 85% of the Annual CSR budget shall be spent on the specified activities in the project mode. Upto 10% of the budget may be earmarked for emergency needs, which include providing relief during natural calamities/disasters by way of contributions to notified agencies.
- e) Upto 5% of the Annual CSR Budget may be earmarked for administrative overheads/expenditure to be incurred on baseline survey/need, assessment study, on capacity building programs such as personnel, training, workshops, seminars, conferences, etc. and on corporate communication strategies for engagement of all stakeholders, whether internal or external, to implement the CSR Policy of the company.
- f) Any unspent CSR allocation of a particular year, will be carried forward to the following year. The Company shall disclose the reasons for not fully utilizing the budget allocated for CSR activities for each year in its Directors’ Report.

- g) If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years with the approval of the Board, on the recommendation of the CSR Committee.

3. AREAS OF FOCUS:

3.1. IDENTIFICATION OF FOCUS AREAS AND STRATEGIC INITIATIVES:

From the total amount available from the Annual CSR Budget, a provision will be made towards the following activities, on a year on year basis:

- 1) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects.
 - i. Construction/repair of school, college & other educational buildings & facilities including special education facilities.
 - ii. Provision of uniforms, books, stationery, computer & Laboratory equipments and other infrastructural facilities, to schools, colleges, universities etc.
 - iii. Scholarships/fellowships to deserving students to encourage education.
 - iv. Promote computer literacy and technology assisted learning.
 - v. To promote Technical/professional/medical education by giving financial assistance/opening institutions through Organizations/infrastructural support.
 - vi. Self/Gainful employment Opportunities – Training of youth for Self Employment.
 - vii. Vocational/technical/professional training for youth.
 - viii. Promote intensive and sustainable farming practices for higher productivity.
 - ix. Imparting training in agriculture to small farming villages and provide consultancy from experts.
 - x. Promoter enterprise development. xi. Promote horticulture/herbal farming/cottage industry etc.
 - xi. To supplement the different programme of Local/State authorities.
 - xii. Strengthen the country's program by contributing towards non-partisan policy and other research.
 - xiii. Setting up of research centres in colleges and universities.
- 2) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- 3) Contribution to the Prime Minister' 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, the Scheduled Tribes, other backward classes, minorities and women. The above list of activities is illustrative and not exhaustive. The CSR Committee may consider CSR activities not falling in the above list subject to the condition that such activities relate to the subjects enumerated in Schedule VII of the Act.

4. PROJECTS AND PROGRAMS:

The projects and programs will be formulated by the CSR team under the guidance of the CSR Committee.

5. IMPLEMENTATION:

5.1. ORGANIZATIONAL MECHANISM:

- a) The CSR Policy of the Company will be implemented by the CSR Committee. The CSR Committee may designate, if it so considers it necessary, any member of the Management team of the Company to advise on selection/implementation/monitoring of the specific projects and to report the progress to the CSR Committee.
- b) The CSR Committee may approve the hiring of consultants with required competency and experience from time to time for identified projects to be in-charge of implementation of the projects.
- c) A Registered Trust/Registered Society may also be established by the Company to implement all or specific project/activity. In the managing body of such trust/society adequate representation shall be from Info Edge.
- d) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - the manner of execution of such projects or programmes;
 - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the company.
- e) The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- f) The Board of a company shall also satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- g) In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

5.2. CONSIDERATION OF PROPOSALS AND ALLOTMENT OF FUNDS:

The broad guidelines for consideration of proposals and allotment of funds are as follows:

- a) Individual proposals have to be within the framework of the CSR Policy of the Company.
- b) Every proposal has to be in a project mode. This involves defining activities, time frame, financial requirement, organizational responsibilities, outcome/expected results and sustainable aspects. The person designated by CSR Committee, with the help of the Consultant, if any, will evaluate the proposals and give its recommendations.
- c) The proposals as above will be put before the CSR Committee at the beginning of each financial year along with the aforesaid recommendation.
- d) The releasing of funds in a phased manner and submission of periodical status report on utilization thereof shall be clearly defined in the proposal to ensure proper utilization before release of further instalments.
- e) The project proposals can be prepared by the Company on its own or through a consultant as may be necessary. The CSR projects prepared by reputed NGOs/Trusts/state/district authorities may also be considered for implementation with the approval of the CSR Committee.

5.3. EXECUTION OF CSR PROJECTS:

1. By Company:

- a) The activities which can be implemented by the Company either directly or by engaging contractors shall be taken up itself.
- b) The periodical activities such as distribution of uniforms etc. to schools etc. and granting scholarships etc., shall also be taken up itself.
- c) The activities which cannot be taken up by the Company because of its nature, size and other limitations shall be considered for implementation through other alternatives.
- d) For the purchase of materials connected with CSR activity same procedure shall be followed as is followed for purchases done for captive consumption.

2. By NGOs/Trusts:

- a) The long duration project proposals requiring a dedicated team and full time attention shall be considered for implementation through reputed NGOs/Trusts engaged in similar activities.
- b) The NGOs/Trusts should have a proven performance track record of at least 3 years.
- c) The NGOs/Trusts shall be registered with the Central Government and also under section 12A and 80G of the Income Tax Act.
- d) NGOs/Trusts as aforesaid may also approach company with specific proposals in the field of their expertise, within the purview of CSR Policy.
- e) Every claim/instalment of NGOs/Trusts for the work completed should be supported by proper bills & progress report and receipts/documents in support of the claim.

3. By State/District Authorities:

- a) The activities which cannot be taken up by the Company directly or through NGOs shall be carried out with the help of respective State /District Authorities.
- b) State/District Authorities may also submit specific proposals to the Company. In such cases, Company may release funds to the respective Authorities for initiation and implementation, provided the projects are in line with the CSR Policy of the Company.
- c) The funds for activities taken up through said State/District Authorities shall be released in suitable instalments based on the progress and Utilization Certificate.

6. MONITORING & FEEDBACK:

- a) All CSR projects shall be monitored directly or indirectly by the Company. The monitoring strategy shall be as follows:
 - i. Projects directly taken up by the Company shall be monitored by the Company.
 - ii. Projects taken up through NGOs/Trusts/State/District authority shall be monitored by a joint team consisting of the representatives of both the Company and such NGO/Trust/Authority.
 - iii. At times the representative of the Company may also independently review the performance of the projects.
- b) The respective monitoring teams above shall be responsible for providing periodic progress reports to the Company. Such teams will ensure that the project gets completed within the specified time period. The Company may also appoint specialized agency/consultants for monitoring the projects, if required.
- c) The progress report of the projects undertaken shall be reported as under:
 - 1) The respective monitoring teams shall make a quarterly report to the CSR Committee.
 - 2) The CSR Committee shall present an annual report on the performance of all projects/activities to the Board of Directors.
- d) The impact assessment would be conducted by an external agency, particularly for larger projects having outlays of Rs. 1 Crore or more and which have a significant social or economic impact. The impact assessment study shall be conducted wherever applicable after the project completion and necessary minimum gestation period. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- e) All CSR activities and expenditures made thereon shall be subject to audit by the Company's Auditors.

7. PENAL PROVISIONS:

- a) If a Company fails to transfer the unspent CSR amount as specified above at point 2.1 (b) & (c), the penalty of twice the unspent CSR amount or Rupees One crore whichever is less may be imposed on the Company.
- b) Every officer of the Company who is in default shall be liable to a penalty of one-tenth of the unspent CSR amount or Rupees Two lakhs whichever is less.

8. GENERAL:

- a) Any or all provisions of the CSR policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Government, from time to time.
- b) The Company reserves the right to modify, add, delete or amend any of the provisions of this Policy.
- c) In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference shall be made to CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
- d) In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail. This Policy will be reviewed by the Board, on the recommendation of the CSR Committee, as and when deemed necessary.