

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PREFACE

TAC Infosec Limited recognizes its responsibility to the society in which it operates and is committed to initiating meaningful steps towards positive environmental change and sustainable development, considering the interests of various stakeholders. In a rapidly evolving corporate landscape that demands greater functional autonomy and operational freedom, the Company has adopted this Corporate Social Responsibility Policy ("CSR Policy" or "Policy") as a strategic tool for sustainable growth.

Our CSR Policy is not merely an investment in social initiatives; it represents a concerted effort to integrate our business processes with social objectives. In light of the Companies Act, 2013, which mandates the formulation of a CSR Policy, the Company has developed a comprehensive framework that reflects our values and guides our efforts to undertake and support socially beneficial programs aimed at the welfare and sustainable development of our community.

PURPOSE

The purpose of CSR Policy of the Company is to devise an appropriate strategy and focus for its CSR initiatives and lay down the broad principles on the basis of which it will fulfill its CSR objectives.

BACKGROUND

Corporate Social Responsibility has evolved during last few decades from simple philanthropic activities to integrating the interest of the business with that of the communities in which it operates. By exhibiting socially, environmentally and ethically responsible behaviour in governance of its operations, the business can create value and long-term sustainability for itself while making positive contribution to the betterment of the society. This approach also reaffirms the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

DEFINITIONS

In this Policy, unless the context requires otherwise,

- a) 'Act' means Companies Act, 2013 and the Rules made thereunder, as amended from time to time,
- b) 'Company' means Tac Infosec Limited.
- c) 'Corporate Social Responsibility' (CSR) means Corporate Social Responsibility as prescribed under section 135 of the Act and Rules made thereunder and further amendments thereto,
- d) 'Net Profit' means net profit as defined under section 135 Act and the Rules made thereunder, as set out below:

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Net Profit shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.

- e) Words and expressions used in this CSR Policy and not defined herein but defined under the Act shall have the meaning respectively assigned to them in the Act.

LEGAL AND REGULATORY REQUIREMENTS

This policy contains the approach and direction given by the Board of the 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, which encompasses the Company's philosophy for delivering its responsibility as a corporate citizen, is titled as the "CSR Policy". It has been prepared keeping in mind the Company's business ethics and to comply with the requirements of Act and the rules, as amended from time to time.

This policy shall apply to all CSR initiatives and activities taken up at various locations of the Company, preferably in the vicinity where the Company carries out its business operations and for the benefit of different segments of the society, specifically the deprived, under-privileged.

CSR VISION STATEMENT

- Fostering a sustainable future by actively conserving and enhancing our environment
- We believe in the power of collaboration, partnering with credible organizations—trusts, foundations, and NGOs—to drive impactful change;
- Developing meaningful and effective strategies for CSR activities;
- Conducting business in a true, fair and ethical manner and create a good impact in the society it belongs;
- Improving the quality of lives of people in the communities in which it operates because society is an essential stakeholder.

OBJECTIVES OF CSR POLICY

- Demonstrate commitment to the common good through responsible business practices and good governance;
- Set appropriate standards of quality in the delivery of services in the social sector by creating robust processes and replicable models;
- To operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.

CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135(9) of the Companies Act, 2013, as of now Company is exempted from constituting Corporate Social Responsibility Committee. However, the Company has voluntarily constituted the CSR Committee with the following functions:

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1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate activities to be undertaken by the Company as specified in Schedule VII of Companies Act,2013 and rules made thereunder;
2. To recommend the amount of expenditure to be incurred on the CSR activities
3. To monitor the implementation of framework of CSR Policy.
4. To carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modifications as may be applicable or as may be necessary or appropriate for performance of its duties.

RESPONSIBILITIES OF BOARD OF DIRECTORS

The Board of the Company will be responsible for:

- Approving the CSR policy as formulated and recommended by the CSR Committee and CSR Annual Action Plan of the Company in pursuance of its CSR policy.
- Ensuring that in every Financial Year the Company spends at least 2% of the average net profit made during the three immediately preceding Financial Years.
- Ensuring that the CSR activities are undertaken by the Company as per CSR Rules.
- Ensuring that in every Financial Year, funds committed by the Company for CSR activities are utilized effectively, and implementation is monitored on regular basis and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- Ensuring disclosure of the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
- The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
- The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- Monitor the implementation of ongoing projects, with reference to the approved time lines and year-wise allocations and shall be competent and to make modifications in such projects, if required to ensure smooth implementation of the project within permissible time period.
- In case of excess CSR Spend in any year, to decide on set off of excess amount against the requirement to spend in the three immediate succeeding financial years, in accordance with the provisions of the Act and CSR Rules.

CSR ALLOCATION & EXPENDITURE

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate at least 2% of its average net profits made during the 3 (Three) immediately preceding financial years as its Annual CSR Budget. The Annual CSR Budget shall be spent on projects / activities as laid down in this Policy.

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ADMINISTRATIVE OVERHEADS

“Administrative Overheads” means expenses incurred by the Company will be used for ‘General Management & Administration’ of the 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.

Further, the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

SURPLUS OF CSR ACTIVITIES

Any surplus arising out of the CSR activities shall not form part of the business profit 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 of Act, within a period of six months of the expiry of the financial year.

EXCESS CSR SPENT/SET OFF

Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –

- The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- The Board of the Company shall pass a resolution to that effect.

CREATION OR ACQUISITION OF CAPITAL ASSETS

CSR amount may be spent by the Company for creation or acquisition of a Capital Asset which shall however, be held by either:

- i) Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under the CSR Rules;
- ii) Beneficiaries of the CSR Project, in the form of self-help groups, collectives, entities;
- iii) A Public authority.

CSR ACTIVITIES

- ❖ The CSR Activities which may be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 will include the following:
 - 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.

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- 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 water 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- 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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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.
 - 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).
- 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.
- XIII. Any other CSR Activity including projects/ programmes as may be notified by the Government from time to time.

- The activities mentioned above are to be interpreted liberally so as to capture the essence of the same. These areas are only illustrative and not exhaustive. The initiatives by the Company in the above fields will include contribution to various projects engaged in these areas.
- CSR expenditure 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 does not include any expenditure on an item not in conformity with the CSR Policy.
- Though the Company would give preference to local area and areas around the Company for spending the amount earmarked for CSR, it would also work for the upliftment of the underprivileged at large.

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- The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of the Act.

TRANSFER OF UNSPENT CSR AMOUNT

Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Amount remaining unspent pursuant to an ongoing project shall be transferred within a period of thirty days from the end of the financial year to the Unspent Corporate Social Responsibility Account in accordance with the Act 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 of the Act, within a period of thirty days from the date of completion of the third financial year.

CSR IMPLEMENTATION:

For implementing the CSR project or programmes, the Board shall ensure that the CSR activities are undertaken by the Company itself or through –

- (a) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company, or
- (b) a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company may engage international organisation(s) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committee is in a position to report separately on such projects or programmes in accordance with these rules.

DISBURSEMENT

The disbursement of funds for CSR activity / programme / project will be in one or more tranche depending upon the nature and requirement of project.

MONITORING AND FEEDBACK

In respect of the contributions made to various societies/trusts for the CSR activities, TAC INFOSEC LIMITED will obtain commitment from the trusts/societies that it shall utilize its funds solely for the projects/activities identified and may obtain requisite details from such societies/trusts for utilization of fund spent on their projects.

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The CSR activities of the Company will be included in the Directors' report as prescribed in Section 135 of the Companies Act, 2013 and the Rules made there under. A copy of the CSR Policy and CSR Projects approved by the Board will also be placed on the Company's website.

IMPACT ASSESSMENT

1. If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
2. The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.
3. Impact assessment, if applicable, may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.
4. Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the CSR Annual Action Plan.

GENERAL:

- All administrative expenses including expenditure on wages & salaries, tours and travels, training & development of personnel deputed on CSR activities would be borne from CSR funds.
- The Competent Authority to take decision on sanctioning works /allocation of funds for CSR and appointing authorized agencies for implementing Projects / Activities shall be as specified in the delegation of powers approved by the CSR Committee / Board of Directors.
- If it is observed that any CSR activity taken up for implementation is found not properly implemented, the Company at its discretion may discontinue funding the project at any time during the course of implementation.
- On advice of Board/CSR Committee, selected Project may be taken up for evaluation through an outside Agency.
- The CSR Committee shall be empowered to recommend any amendment or modification to this policy and such recommendation shall be placed before the Board for approval.

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