

**CORPORATE SOCIAL RESPONSIBILITY POLICY  
FOR  
ETERNO INFOTECH PRIVATE LIMITED**



**ETERNO INFOTECH PRIVATE LIMITED**

**Registered Office:** - VRR Legacy, 2<sup>nd</sup> Floor, No.2, 1<sup>st</sup> Main, Jakkasandra, 1<sup>st</sup> Block, Koramangala, Bengaluru, Karnataka- 560034 IN

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## 1. BACKGROUND

In compliance with Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 (along with any subsequent statutory amendments or re-enactments), Eterno Infotech Private Limited ("the Company") is required to formulate a Corporate Social Responsibility ("CSR") Policy for taking up and implementing CSR activities to be undertaken in areas or subjects as specified in Schedule VII of the said Act (excluding the activities pursued in the normal course of business).

## 2. PREAMBLE

As a responsible organization, the Company is committed in developing a sustainable business model to ensure and activate future growth drivers. In line with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is putting in place a formal Policy as a guide towards our social commitment going forward.

## 3. DEFINITIONS

- a) "Act" shall mean the Companies Act 2013, including any modifications, amendments or re-enactment thereof;
- b) "Approved Budget" shall mean the total budget as approved by the Board or upon the recommendation of the CSR Committee the Company, which is to be utilized for CSR Projects;
- c) "Board" shall mean the Board of Directors of the Company;
- d) "Company" shall mean Eterno Infotech Private Limited;
- e) "CSR Annual Plan" shall mean the annual plan detailing the CSR expenditure for the financial year;
- f) "CSR Policy or 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;
- g) "CSR Projects" or "Projects" means Corporate Social Responsibility projects/activities/ programs/ initiatives, instituted in India, either new or ongoing, and include, but is not limited to those undertaken by the Board or on recommendations of the CSR Committee as per the

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declared CSR;

- h) “CSR Rules” shall mean Companies (Corporate Social Responsibility Policy) Rules, 2014 made under the Act, as amended from time to time;
- i) “Financial Year” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year;
- j) “Net profit” shall mean the net profit as per Sec 135 & 198 of the Act and Rules based on which the specific percentage for CSR expenditure needs to be calculated; and
- k) “Rules” shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re- enactment, modifications or amendments thereof.

All other words and expressions used in this Policy but not defined herein, shall have the same meaning as ascribed to them under the Act.

#### **4. APPLICABILITY**

The Policy shall be applicable to all activities undertaken by the Company towards fulfilling its CSR objectives and obligations in terms of the Act.

#### **5. POLICY OBJECTIVES**

The objective of the Policy is to lay down the guiding principles in undertaking various Programs and projects by or on behalf of the Company relating to CSR within the meaning of Section 135 of Act read with Schedule VII thereto and the CSR Rules.

#### **6. CSR ACTIVITIES**

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

- a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior

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citizens and measures for reducing inequalities faced by socially and economically backward groups;

- d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- e) Protection of national heritage, culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries: promotion and development of traditional arts and handicrafts;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- h) Contribution to the Prime Minister's National Relief 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;
- i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) Rural development projects.

## 7. ROLE OF BOARD OF DIRECTORS

The role of the Board of Directors in the context of Corporate Social Responsibility (“CSR”) is vital for ensuring that the Company fulfills its social and ethical responsibilities. The Board's responsibilities in this regard are as follows:

- a) **Formulation and Amendment in the CSR Policy:** The Board may make necessary revision in the CSR Policy of the Company whenever the need arises on the recommendation of the Management of the Company.

This Policy outlines the Company's commitment to CSR and the specific activities it plans to undertake. The Board, often in consultation with relevant stakeholders, sets the direction and objectives of the CSR initiatives. This policy can cover a wide range of areas, such as education, healthcare, environmental sustainability, and community development, depending on the company's goals and areas of impact.

- b) **Approval of Expenditure:** The Board approves the budget or amount of expenditure to be

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allocated for the CSR activities.

- c) **Monitor CSR Policy:** The Board has a responsibility to oversee and monitor the implementation of the CSR Policy. This includes regular reviews of progress, alignment with the Company's objectives, and ensuring that the allocated resources are used effectively and efficiently. The Board will ensure that the Company remains committed to its CSR goals and complies with relevant provisions of the Act and CSR Rules..
- d) **Review and Recommend New Initiatives:** In addition to the ongoing monitoring of the existing CSR initiatives, the Board shall actively look for new opportunities and areas where the Company can make a positive social and environmental impact. This can involve reviewing emerging social and environmental issues and suggesting new CSR projects or partnerships that align with the Company's mission and values.

## 8. GENERAL GOVERNANCE

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

- a) Adopt an Annual Work Plan, whenever required, to ensure that duties and responsibilities listed in the Terms of Reference are scheduled to be achieved.
- b) Provide formal evaluation in writing on the performance of the CSR competencies on a biennial basis.
- c) Produce and provide an annual evaluation of the CSR program, which shall compare the effectiveness of the CSR with the requirements.
- d) ensure that the activities as are included in Policy of the Company are undertaken by the Company.

## 9. CSR IMPLEMENTATION

The Board of the Company shall identify the areas wherein the Company can make its CSR spent as per the CSR activities stated under Policy.

Further, the Board may decide upon the route to make the CSR expenditure either directly through its internal source or through an independent organization and NGOs subjects to certain criteria set by the Company from time to time, as permitted under the Act.

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## 10. ELIGIBILITY CRITERIA FOR APPOINTMENT OF NGO AND ORGANIZATION

Following criteria shall be evaluated before engaging independent organization and NGOs in accordance with the Act and amendments therein, from time to time:

- a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 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 any entity established under an Act of Parliament or a State legislature; or
- c) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

## 11. CSR FUNDS

The amount of CSR obligation shall be calculated in accordance with the provisions of the Act and shall include the following:

- a) 2% of the average Net Profit before tax made by the Company during immediately preceding three Financial Years
- b) Any income arising therefrom
- c) Surplus arising out of CSR activities carried out by the Company and such surplus will not be part of business profit of the Company.

Any surplus arising out of the CSR activities shall not form part of the business profit of a 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, if formulated, of the Company or such surplus amount shall be transferred to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

## 12. CSR REPORTING

The Board's Report of the Company shall include composition of the CSR Committee, if any, an annual report on the CSR expenditure, reference of the Policy developed and implemented by the Company on CSR initiatives as per the format given in Annexure 2 or 3, as the case may be of CSR Rules.

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### 13. CONFIDENTIALITY

All deliberations of the Board, and all records, material and information pertaining to the Company obtained shall be considered confidential. Members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

### 14. AMENDMENT

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, if the Committee is being constituted to oversee the CSR activities.

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