

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. MISSION

Discovering once again the social responsibility of developing economic, social and environmental capital towards sustainability, Cigniti crafted CSR projects in achieving the mission. Cigniti believes and strives hard in sustainable development of society in which the enterprise draws economic and natural resources by enriching its capacity in contributing to the significant positive change in the economy.

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, which is effective from 1 April 2014, 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.

II. DEFINITIONS:

- Board means Board of Directors of the Company.
- 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.
- CSR Committee means Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013.
- Company means Cigniti Technologies Limited.
- Net Profit means the net profit of the Company as per the financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely:-
 - i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise, and

- ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Companies Act, 2013.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the meanings respectively assigned to them therein.

III. ROLE OF CSR COMMITTEE

The CSR Committee constituted in pursuance of Section 135 of the Companies Act, 2013 and the rules made thereunder shall carry out the following activities:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the said Act;
- b) Recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company; and
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- d) Prepare a transparent monitoring mechanism for ensuring implementation of the CSR Projects or Programs or Activities undertaken by the Company.

IV. MEMBERSHIP & CHAIRMAN

- a) The Committee shall consist of three or more Directors, out of which at least one shall be an Independent Director.
- b) The members of the CSR Committee shall elect one of them as the Chairman of the Committee.
- c) 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.
- d) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements.
- e) The Committee shall meet as and when required. Minimum two (2) members shall constitute a quorum for the Committee meeting. The committee may transact business (es) through circular resolution.
- f) Composition of the Committee shall be disclosed in the Annual Report.
- g) Term of the Committee shall be continued unless terminated by the Board of Directors.

V. CSR ACTIVITIES

A. The Company may undertake any of the following activities specified in Schedule VII to the Act as its CSR activities:

- a) Eradicating hunger, poverty and malnutrition, promoting health care including 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 centres and such other facilities for senior 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- e) Measures for the benefit of armed forces veterans, war widows and their dependents;
- f) Contribution to the Prime Ministers' 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;

B. Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of recommendations of the CSR committee of Board as per declared CSR Policy of the Company subject to the condition that such activities cover subjects enumerated in Schedule VII of the said Act.

VI. 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.
- 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.
- 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.

- Any surplus arising out of the CSR activity will not be part of the business profits of the Company.
- The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

VII. MODALITIES OF EXECUTION AND IMPLEMENTATION:

- CSR activities may be initiated / implemented/ executed:

i) By the Company; or

ii) Through:

a) 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.

b) 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.

c) 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.

d) 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.

e) 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.

VIII. MONITORING OF THIS CSR POLICY:

- It will be the responsibility of the CSR Committee to monitor periodically the implementation of the projects / programs / activities under this CSR policy and to ensure compliance of the provisions related to CSR mentioned in the Companies Act, 2013 and rules made there under from time to time.
- The progress of CSR initiatives and activities will be reported to the Board on a regular basis.

IX. 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.

X. CSR REPORTING:

The Board's report shall include an annual report on CSR containing the following particulars:

- 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.

XI. CONCLUSION

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time.

The Board will review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

Place: Hyderabad

Date: 14 August 2014