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# HUGHES SYSTIQUE PRIVATE LIMITED – CSR POLICY

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## 1.0 Preamble

The Corporate Social Responsibility Policy of Hughes Systique Private Limited (hereinafter referred as 'Hughes') has been drafted with a view to provide a framework for establishing a process for allocation, distribution and spending of funds for the purpose of making an impact to the community in the locations that Hughes has offices. Hughes has been extending social services and making charitable spends over the past years, however, with the advent of new Companies Act, 2013 ("Companies Act"), it is prudent that a proper framework be put in place for various activities that would qualify as Corporate Social Responsibility (CSR) initiatives by Hughes and which is in accordance with requirement of the Companies Act, 2013.

## 2.0 Vision Statement & Objective

The CSR activities of Hughes need to be aligned with the requirements of the Companies Act, 2013 as enlisted in clause 7 hereto and as may be amended from time to time.

## 3.0 Constitution of CSR Committee

The Board shall constitute a CSR Committee of the Board, in accordance with the provisions of Section 135 of the Companies Act 2013 and rules there under, as amended from time to time. Keeping in line with the provisions of Section 135 of the Companies Act, 2013, the CSR Committee shall carry out the following functions:

- to frame rules, policies, disclosures as may be required to comply with the provisions of Companies Act, 2013 read with the applicable schedule, rules and notifications issued by the Ministry of Corporate Affairs (MCA) from time to time;
- Recommend CSR activities as stated under Schedule VII of the Act;
- Approve to undertake CSR activities in collaboration with HUGHES Group companies or independently by the Company/ other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules;
- Recommend the CSR Budget;
- Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
- Create transparent monitoring mechanism for implementation of CSR Initiatives in India ;
- Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- Monitor CSR Policy from time to time;
- Authorize executives of the Company to attend the CSR Committee Meetings;
- to recommend the expenditure to be incurred on CSR activities;
- to monitor the CSR activities regularly.

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## 4.0 Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet at least once in every financial year. The members of the CSR Committee can mutually agree the time and place for the said meetings. Quorum for the meeting should be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made there under from time to time.

## 5.0 Planning

The Committee shall plan and implement the CSR activities in and around the location where Hughes has offices. The CSR activities plan shall include the following:

- a. Allocation of CSR budget as per the applicable guidelines under the Companies Act.
- b. Evaluate the available budget and the intended CSR activities it is desirous of undertaking and identify CSR initiatives it desires to undertake accordingly.
- c. Undertake one or more CSR initiatives in any financial year. In the event the Company undertakes more than one CSR initiatives, it may allocate separate projects to be undertaken at separate locations.
- d. Prepare implementation schedule for each CSR activity identified. The implementation schedule shall include the project initiation date and end date, the impact that Hughes would achieve and the amount that would be spend out of the CSR budget on each such project. If the Committee is unable to spend any amount out of the total allocated budget, it needs to provide reasons for the same.
- e. Tailor-made CSR projects depending upon allocated spend and geographical presence.
- f. Partnering agencies/companies/firms.
- g. Process Owners.
- h. Project Proposals.
- i. Targeted Beneficiaries & their key needs.
- j. Alignment with Schedule VII.
- k. Project Goals and milestones.
- l. Activities and Timelines including expected closure dates.
- m. CSR Budget with projections.
- n. Monitoring mechanism.
- o. Progress reporting and frequency of reports.
- p. Risks and mitigation strategies.
- q. Any other information as may be required by the CSR Committee.

## 6.0 Implementation Structure

- a) The CSR activities shall be undertaken either directly or through:
  - (i) one or more registered trusts or societies or a Company established under Section 8 of the Act established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature; or

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- (ii) One or more registered trusts or societies or a Company established under Section 8 of the Act with an established track record of three years in undertaking similar programs or projects,
- as may be approved by CSR Committee from time to time.
- b) The Board / CSR Committee shall specify the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting execution and mechanism.
- c) Additionally, the Company may also collaborate with other entities to implement initiatives for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the Rules.
- d) The CSR projects or programs or activities will be undertaken in India only.
- e) The Company shall not contribute any amount directly or indirectly to any political party.
- f) CSR activities will not include the activities undertaken in pursuance of normal course of business of the company.
- g) CSR activities will not include the projects or programs or activities undertaken to benefit only the employees of the Company and their families.
- h) Any surplus arising out of CSR projects or programs or activities shall not form part of the business profits of the Company.

### 7.0 List of CSR Projects to be undertaken in line with Schedule VII of the Companies Act, 2013

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| 1. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects.   |
| 2. Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water. |

The Company will review the sectors from time to time and make additions/deletions/clarifications to the above sectors.

### 8.0 Monitoring Mechanism

Each of the CSR projects and programs would have clearly defined output, outcome and process indicators which will have to be reported on at specific frequencies. All programs & projects will be monitored by the CSR Committee / authorized officials, based on these reports and regular field visits. The monitoring process will cover both program and financial reviews. The CSR Committee

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will receive half yearly/ yearly progress reports of all CSR activities of the Company. Any other measures as advised by CSR Committee for monitoring the projects/ programs from time to time.

## **9.0 Annual Spend**

At least two percent in every financial year, of the average net profits of the Company made during the three immediately preceding financial years shall form the funds available for implementation of CSR projects.

## **10.0 Progress Monitoring**

- a) To ensure effective implementation of the CSR programs undertaken at each work center, a transparent monitoring mechanism will be put in place by the Committee. The Committee may appoint any person in each office location to monitor the progress of CSR programs and to prepare and submit reports on the progress on a monthly basis.
- b) The CSR committee may delegate any person in each office location to try to obtain feedback from beneficiaries under the programs.
- c) Appropriate documentation of the Hughes CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken.

## **11.0 Reporting**

The progress report of the activities undertaken by Hughes under the CSR initiatives shall be reported in the Annual Report in specification with the provisions of Companies Act 2013; as may be amended from time to time, by the Board of Directors in consultation with the CSR Committee

## **12.0 Communication**

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

## **13.0 Policy Review & Future Amendment**

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.