

CORPORATE SOCIAL RESPONSIBILITY POLICY

Paxcom India Private Limited



PAXCOM INDIA PRIVATE LIMITED

Registered Office: Plot Nos. 412-415, 7th Floor, Phase-IV, Udyog Vihar
Gurugram, Haryana - 122015
CIN NO: U72900HR2014PTC052979

Corporate Social Responsibility (CSR) Policy

INTRODUCTION

Paxcom India Private Limited ("**Paxcom/Company**") recognizes the impact it has on communities in which it operates and is committed to giveback to the community contributing to the social, economic, and environmental progress. The Company aims to minimize the impact of its business on the environment, have a positive effect on society and seeks to further these objectives through trusts, societies and companies who embrace these objectives. Paxcom is committed to highest standards of legal and ethical business conduct and shall ensure that the corporate social responsibility ("**CSR**") activities and programmes ("**CSR Activities**") be conducted in accordance with its code of business conduct and in compliance the applicable laws¹. The Company will also continue to assess the environmental and ethical impact of the business and work towards formalizing guidelines to reduce any undesirable effects. The Company shall carry out the above in line with its obligations under the applicable laws.

VISION STATEMENT & OBJECTIVE

The objective of the CSR Policy is to ensure that the Company operates on a consistent and compliant basis and lays down guidelines to make CSR a key business process for sustainable development of the society by directly or indirectly taking up CSR Activities that benefit the communities in and around its work locations, and over a period of time which result in enhancing the quality of life and economic well-being in these locations. By doing this, Paxcom aims to supplement the role of the Government in enhancing the welfare measures of the society within the framework of its CSR Policy.

APPLICABILITY

1. This CSR Policy has been developed pursuant to Section 135 of the Companies Act, 2013 ("**Act**") and rules made thereunder (as amended from time to time and notified by Ministry of Corporate Affairs).
2. The CSR Policy shall apply to all CSR Activities/programmes undertaken by the Company as per Schedule VII of the Act.
3. The CSR Policy shall be applicable to Paxcom India Private Limited only.

¹ Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 as amended from time to time.

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ROLES AND RESPONSIBILITIES

A. Board of Directors of Paxcom ("Board")

1. Forming a CSR Committee comprising of directors. However, if constitution of the CSR Committee is not mandatory as per the applicable laws, the functions of the CSR Committee shall be discharged by the Board.
2. Approving the CSR Policy after considering the recommendation made by CSR Committee.
3. Ensuring that the Company spends in every financial year as per the requirement under applicable laws.
4. Ensuring that in every financial year, funds committed by the Company for CSR Activities are utilized effectively and implementation is regularly monitored.
5. Disclosing in Board's report details of the CSR Committee and ensure annual reporting of its CSR Activities on the Company's website.
6. Ensure annual reporting of CSR Activities to the Ministry of Corporate Affairs, as per the prescribed format.

B. CSR Committee

1. The CSR Committee shall formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company in areas specified in Schedule VII of the Act.
2. Recommend the amount of expenditure to be incurred on the activities referred to in point (1) above;
3. The CSR Committee shall formulate and recommend to the Board an annual action plan ("**CSR Plan**") in pursuance of its CSR Policy, which shall include the following, namely:
 - a) the list of CSR Activities or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b) the manner of execution of such CSR Activities;
 - c) the modalities of utilisation of funds and implementation schedules for the CSR Activities;
 - d) monitoring and reporting mechanism for the CSR Activities; and
 - e) details of need and impact assessment, if any, for the CSR Activities undertaken by the company.

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.

4. Monitoring the implementation of the CSR plan and reporting on the expenditure of CSR funds.
5. The CSR Committee shall submit quarterly report on the implementation of the CSR Plan for the

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review and comments of the Board.

CONSTITUTION OF CSR COMMITTEE

The CSR Committee shall be comprised of 2 (two) or more directors of the Board and is responsible each year for formulating and recommending to the Board the CSR Plan that meets the goals of this CSR Policy.

COMPLIANCE TIMELINE

In the first quarter of every financial year, the CSR Committee will place for the Board's approval, the CSR Plan delineating the CSR Activities to be carried out during that financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

The CSR Committee shall prepare the quarterly implementation plan of the CSR Activities at the beginning of each quarter of every financial year and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Activities in accordance with this CSR Policy.

The CSR Committee will provide, at the beginning of next quarter, a quarterly status update to the Board on the progress of implementation of the approved CSR activities carried out during the prior quarter. It shall be the responsibility of the CSR Committee to apprise the status of implementation of the CSR Plan.

Further, at the end of every financial year, the CSR Committee will submit its annual report to the Board.

SELECTION OF ACTIVITIES

The Board shall consider the following criteria when identifying and selecting the CSR Activities to be undertaken and funded by the Company:

1. "Ongoing Projects" of at least 2 (Two) and no more than 3 (Three) years or ad-hoc, one-time activities to be preferred.
2. Activities from any of the following categories:
 - (a) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - (b) 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;
 - (c) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
 - (d) disaster management, including relief, rehabilitation and reconstruction activities;

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- (e) rural development projects;
- (f) contribution to the prime minister's national relief fund or PM CARES Fund or any other fund set up by the Central Government for socio economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women; or
- (g) the Company may undertake any other initiatives in compliance with Schedule VII of the Act.

3. The following are not CSR Activities under applicable laws:

- (a) activities taken up in pursuance of normal course of business;
- (b) activities carried out for the fulfilment of any other statutory obligations under any law in force in India;
- (c) any activity undertaken outside India;
- (d) any contribution (direct or indirect) to political party;
- (e) activities benefitting employees and contractors of the Company; and
- (f) activities deriving marketing benefits for the Company.

CRITERIA FOR SELECTION OF ORGANIZATIONS

The CSR Committee shall identify and shortlist the most qualified organizations ("**Implementing Agency**") to undertake the CSR Activities in fulfillment of the CSR Plan. To qualify, an Implementing Agency must be registered with the Ministry of Corporate Affairs and have a Unique Registration Number. The CSR Committee must verify the Implementing Agency's reliability and track record in carrying out CSR Activities before shortlisting that Implementing Agency.

Thereafter, the CSR Committee will recommend the list of Implementing Agency to the Board for approval. Upon approval, the Implementing Agency will receive a cash grant and pro bono support in accordance with the contract between the Company and that Implementing Agency.

CSR EXPENDITURE

The Board is responsible for ensuring that CSR expenditure is incurred by the Company on CSR Activities undertaken in accordance with the CSR Plan and applicable laws.

For any surplus arising from any CSR Activities, the Board must use such funds for CSR Activities only.

The Chief Financial Officer of the Company or the person responsible for the financial management of the Company shall certify that the funds have been utilized for the purpose and in the manner as approved by the Board.

MONITORING AND REPORTING

The CSR Committee is responsible for monitoring the impact of CSR Activities and reporting to the Board through:

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- Quarterly report submitted by the Implementing Agency;
- Fund utilization/expense report/certificate (as per the contract) as submitted by each Implementing Agency; and
- Wherever possible, the CSR Committee will conduct field visits at least once for every CSR Activity in the financial year.

AMENDMENTS

The CSR Policy may be reviewed and amended from time to time, on the recommendation of CSR Committee by the Board of the Company. Updated CSR Policy shall be placed on website and informed to all concerned.

DISCLOSURE

All disclosures, display, and reporting requirement related to CSR shall be made by the Company in accordance with the provisions of the applicable laws.