

CORPORATE SOCIAL RESPONSIBILITY POLICY OF DIGILOGIC SYSTEMS LIMITED

The policy is adopted by the Board of Directors in their meeting held on 28.07.2025

I. PREFACE

Business is an integral part of the economy as well as of society. It helps in the growth of the economy of every country. Whenever any business is done for only earning profit, it is termed as profiteering which is not healthy either for the long-term business growth of the business entity or for the Society. In the pre-independence era, the East India Company had maximized its profit and has done little for the Society. Their only motto was to drain the resources of the Country and by doing so they ruined our country. Because they knew that longevity was not predictable. Accordingly, they had tried to maximize the profit for the business done in the Country. But durability of business is sustainable when business entity recognizes and extends support to the Society for their wellness. In view of these factors and assuming responsibility towards society and economy, every businesses entity should work towards achieving in growth of per capita income, employment as well assuming generous approach towards achieving social goals like education, health, sanitation, clean & pollution-free environment to enable the people to deliver their best. These activities are collectively terms as “CSR Activities”.

Besides, Section 135 of the Companies Act, 2013 (the “Act”) has made it mandatory for profit making Companies to constitute the CSR Committee and spend at least 2% of its average net profit during the 3 immediate preceding financial years (block of 3 years). Accordingly, the Company has decided to carry out programs, projects and activities (collectively known as "CSR Activities") in this regard as the subject matter of this Policy, as specified in the Act and Rules relating thereto.

II. CSR POLICY

The Company has undertaken Policy to direct its CSR programs towards achieving activities as prescribed in Schedule VII of the Act but not limited to the following –

- i. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation and making available safe drinking water including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation;
- 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 centers 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 arts and handicrafts;

- vi. Measures for the benefit of armed forces veterans, war widows and their dependents; including Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. 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;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
 - 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 Organization (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;
- xii. Disaster management, including relief, rehab and reconstruction activities;
- xiii. Any other activity as may be permitted under Schedule VII of the Act or any other amendments thereto;
- xiv. To pursue CSR programs primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;

- xv. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
 - a. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - b. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c. a public authority.

The Company can pursue any of the above-mentioned activities as its social, economical and environmental responsibility.

III. IMPLEMENTATION

The Implementation of the CSR activities of the Company will be governed by the CSR Committee of the Company. The CSR Committee would comprise of three Directors including an Independent Director. The Company may also carry out its CSR Activities through any of the followings:

- i. 1 Any other registered trust or a registered society or a Company established by the Company itself or its holding or subsidiary or associate Company under section 8 of the Companies Act, 2013 or otherwise.
- ii. Any registered trust or a registered society or section 8 Company having a track record of three years in undertaking similar projects, programs or activities, if the same is not established by the Company itself or its holding or subsidiary or associate Company.
- iii. The Company should ensure foregoing Trust or Society is registered with Ministry of Corporate Affairs before making contribution on or after 1st April, 2021.
- iv. The Company may also collaborate with other Companies for undertaking CSR project or programs or activities.

IV. SCOPE AND TERMS OF REFERENCE OF THE COMMITTEE:

The terms of reference of the Committee are as follows:

- i. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy related to the CSR activities to be undertaken by the Company as provided in the Schedule VII and any other related provisions, if any, of the Act and the Rules made there under.
- ii. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- iii. To recommend the amount of expenditure to be incurred on the CSR activities as per the requirement of the Act and the rules made there under.
- iv. To carry out such other functions as may from time to time, be authorized by the Board and/or required by any Statutory Authority, by the way of amendment and/or other wise ,as the case may be, to be attended by this Committee.

V. RESPONSIBILITY/ROLE OF THE BOARD

- i. The Board shall constitute CSR policy (on recommendation of CSR Committee) which shall include a list of CSR projects or programs which a company plans to undertake falling only within the purview of the Schedule VII of the Act, specifying modalities of execution of such project or programs and implementation schedules for the same and;
- ii. Monitoring the process of such projects or programs.
- iii. To ensure and undertake the activities as per its CSR policy.

VI. GOVERNANCE / REPORTING

- i. The Company shall specify the projects/programs to be undertaken by such an organization, modalities for utilizing funds provided by it.
- ii. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only and shall periodically monitor and evaluate the performance of the Projects and the achievement of targets.
- iii. The Board shall review the implementation of the CSR programs from time to time and issue necessary directions to ensure orderly and efficient execution of the CSR programs in accordance with this Policy.
- iv. The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- v. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- vi. Every year, the CSR Committee will place for the approval of the Board of Directors of the Company, an annual CSR Action Plan (hereinafter referred to as 'CSR Plan') delineating the CSR programs to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, and monitoring & reporting mechanism for the CSR programs. The Board will consider and approve the CSR Plan with such modification that may be deemed necessary; the CSR Plan may also be modified by the Board during the financial year, on the recommendation of the CSR Committee.
- vii. At the end of every financial year, the CSR Committee will consider an Annual Report on CSR activities as prescribed in the Companies Act, 2013 and recommend the same for the approval of the Board. The said Report will be disclosed as part of the Report of the Board of Directors.

viii. The Company shall display the Composition of the CSR Committee, CSR Policy and Projects approved by the Board on its website.

VII. UNSPENT CSR MONEY / EXCESS CSR EXPENDITURE

- i. CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR programs undertaken in accordance with the approved CSR Plan.
- ii. Any income arising from CSR programs will be netted off from the CSR expenditure and if in case any surplus arises, such amount will be reported as CSR surplus and used for CSR purpose only.
- iii. If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set- off against CSR expenditure within the next three financial years with the approval of the Board, on the recommendation of the CSR Committee.
- iv. In case the Company is not able to spend the money earmarked for CSR expenditure and any income/surplus arising out of the CSR activities, it shall transfer such fund as may be notified in Schedule VII in the following manner –
 - a. where the unspent amount is related to an Ongoing Project, such unspent amount shall be transferred to the 'Unspent Corporate Social Responsibility Account' within a period of 30 days from the end of the financial year and the same shall be spent within a period of three financial years from the date of such transfer in the manner as prescribed in section 135(6) of the Act and the Rules, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.; and
 - b. Where the unspent amount is not related to an Ongoing Project, such unspent amount shall be transferred to a Fund as may be specified in Schedule VII, within a period of six months of the expiry of the financial year or such other time period as permissible under the Applicable Law.
 - b. The board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the financial year.
 - c. The Corporate Social Responsibility (CSR) Committee and the Board of Directors are empowered to review this policy periodically and may amend or modify the Policy accordingly, from time to time.

Sd/-

Madhusudhan Varma Jetty
Managing Director