

# **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF DIAMOND INFOSYSTEMS LIMITED**

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## **OVERVIEW**

India is perhaps the first country to statutorily require companies to undertake Corporate Social Responsibility. The Diamond Infosystems Limited enjoys a legacy of many years of making a positive difference in the areas of socio – economic development of the less privileged communities and other stakeholders, by being a responsible business house through adoption of appropriate business processes and strategies and by carrying out various initiatives towards its social obligations for the society in the vicinity of all its manufacturing locations and its subsidiary companies, collectively referred to as the Diamond Group of Companies.

The primary focus of CSR activities of Diamond primarily has been Environmental Sustainability, Education, health care and sanitation. The intention of integrating these objectives with the operations and growth of each entity in Diamond is to pursue a higher level of performance in the CSR, which will create sound systems for purposeful contribution to societal causes.

At Diamond, CSR manifests itself as a critical indicator to distinguish a corporate citizen aligned with its business principle within the overall requirements of the Companies Act, 2013 and rules made thereunder from time to time.

### **The key drivers for CSR are:**

- We believe that serving society is our prime purpose. We conduct our business responsibly and execute strategies that take technology, product and services to help generate sustainable livelihood for the underprivileged. We are voluntarily meeting obligations towards serving the nation at large in line with our tradition and heritage.
- Our social programmes are intended to bring about a perceivable improvement in attitude, culture and values amongst our employees and community in order to improve the quality of their life.
- Conservation of natural resources and commitment to Green Environment.
- Developing business processes which are environmentally and socially sustainable by giving importance to societal and environmental attributes.

## **CSR AT DIAMOND**

1. As a part of social obligation towards the society, the focus of CSR activities will be in the field of Environmental Sustainability, Education, Health and strengthen missions like “*Swacha Bharat Abhiyan*”.

2. CSR is the path that will be followed to meet our wider obligation towards society and community. A responsible organization recognizes that its activities have an impact in the society in which it operates. CSR is expected to extend beyond the statutory requirements and help people improve quality of their life.
3. While designing products, care is taken by the Company to protect the environment and minimize adverse impact if any, on the society at large. The rationale for CSR is articulated to build in a sustainable business model which will be conducive for a healthy society.

## **IMPLEMENTATION OF CSR**

### **A. Funds to be expended per financial year**

1. The Company shall spend at least 2 % (two percent) of the average net profits, calculated in accordance with the provisions of Companies Act, 2013 and rules thereof, made by it in three immediate preceding financial years, in every financial year, if approved by Board of Directors.
2. All allocated contribution towards CSR should be utilized during the year itself. Any income or surplus arising out of CSR activities undertaken by the Company will be earmarked for CSR activities only.
3. No contribution to any political party or for any political purpose shall be made out of CSR contribution.
4. Any surplus arising out of any of the CSR activities carried out by the Company will not be treated as part of the business profits of the Company.
5. The expenditure incurred on activities undertaken by the Company in pursuance of normal course of business shall be excluded from CSR expenses and also any expenditure on any item not in conformity of the Companies Act, 2013 and the rules made thereunder.
6. The expenditure incurred on building CSR capacities of personnel as well as implementing agency shall not exceed 5 % of total actual CSR expenditure incurred in each financial year.

### **B. Distribution of Funds to be expended every financial year**

1. The layout of the expenses shall be as per following allocations:

Following activities shall be included;

- ❖ Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ❖ Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- ❖ 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;

- ❖ 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;
- ❖ 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;
- ❖ Measures for the benefit of armed forces veterans, war widows and their dependents;
- ❖ Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- ❖ 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;
- ❖ Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- ❖ Rural development projects.
- ❖ Slum area development

### **C. CSR Committee**

The Board of Directors of the Company shall constitute a CSR committee as well as formulate functions of the Committee. The CSR activities of the Company will be monitored by the CSR Committee of the Board of Directors.

The CSR committee of the Company may authorize the Executive Director or the Managing Director to perform following functions:

- a) Where required, create a working group to develop the CSR Commitments of the Company;
- b) Include employees in the process of implementing the CSR activities being carried out by the Company.
- c) Create a CSR working group or hold a contest for the best suggestions, encouraging employees and their representatives to put some thought into their submissions.
- d) Review the CSR priorities to determine which codes of ethics or conduct fit best with the firm's goals.

The CSR committee of the Board may recommend to the Board for its approval any other CSR programmes or projects or activities not covered in this policy which are within purview of Companies Act, 2013 and rules made thereunder.