

# MICROLAND CSR POLICY

## 1. Preamble

Microland believes that corporate social responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life stakeholders involved such as local communities and society at large. CSR is a tool to think about and evolve its relationships with our key stakeholders for common good.

Microland has undertaken multiple CSR programs in the past – especially in the areas of education and relief in times of disaster.

In order to maximize the social impact of our initiatives, we have adopted this policy developed as per the requirements of the Section 135 of Companies Act 2013 (and the amendments and notifications thereof) to govern the CSR initiatives of Microland Limited in India.

This Policy document serves the following purpose:

- Define what CSR means to us
- Identify “Impact Themes” that Microland shall pursue towards fulfilling our CSR obligations
- Specify modalities of execution of projects and the implementation schedules
- Serve as a guiding document to establish monitoring mechanism for CSR programs
- Elucidate criteria for partners/ implementation agencies
- Explain the manner in which the surpluses from CSR programs will be treated

## 2. CSR Policy

### 2.1 Scope of Policy

This Policy applies to all activities that are undertaken as part of our CSR programs.

### 2.2 Principles of CSR Policy

The broad principles that govern our CSR strategy and CSR programs are as follows:

1. Leverage the core strengths of Microland, namely:
  - a. Expertise in IT Infrastructure Management and Cloud Services
  - b. Technology leadership
  - c. The spirit of entrepreneurship
2. Ensure measurability and sustainability of CSR programs
3. Ensure employee involvement and engagement in CSR programs
4. Ensure focus on select impact themes



In selection of CSR Programs, emphasis will be laid on those that fall within the vicinity of our operations to enable maximum involvement of employees and ensure close supervision.

Also, to promote sustainability, CSR programs may be designed in partnership with and implemented in one or more of the following modes or by way of a combination there of:

- (i) Directly by Microland as programs or towards the corpus for approved projects
- (ii) Through Microland Foundation, a registered trust
- (iii) Through a registered trust or registered society or Company established under section 8 of the Companies Act 2013
- (iv) In collaboration with other companies or other corporate foundations for undertaking

To ensure that Microland is in a position to carry out the CSR obligations effectively, we shall identify resources and also build the capacities as may be required either with our own personnel or those of Microland Foundation or through the resources of implementing agencies. The amount of expenditure towards this purpose shall be within 5% of the CSR expenditure of Microland in the financial year.

### 2.3 Impact Themes

The impact themes for Microland's CSR Programs are in alignment to the Schedule VII of the Companies Act 2013, including:

1. **Education:** To promote digital literacy at the grass roots, especially girl children in Secondary and Higher Secondary Schools, in the belief that these are prerequisites for social and economic development;
2. **Employability:** To engage in affirmative interventions such as skill building and vocational training, to create a Digital Workforce for persons from disadvantaged sections of society;

The "Impact Themes" listed above are prioritized for FY 2015-17. The Company may amend the themes, as appropriate, from time to time.

### 2.4 Governance

Microland has constituted a governing mechanism to oversee the successful implementation of the CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR Statutory Committee has been formed at the Board level, comprising of the following two directors:

1. Pravin R Gandhi as Chairperson
2. Pradeep Kar as Member

The responsibilities of the CSR Statutory Committee include:

- Formulating and updating the CSR Policy, to be approved by the Board
- Approving programs that are in line with the CSR policy
- Monitoring the progress of each program
- Recommend the CSR expenditure to the Board for approval



- Meeting at least twice a year to review the progress and suggest interventions

A CSR Working Committee has also been set up to assist the CSR Statutory Committee and the Board in implementation of CSR.

The CSR Working Committee comprises of:

1. Pradeep Kar, Chairman and Managing Director
2. Sharad Heda, Chief of Staff
3. Ram Kumar, Chief People Officer
4. Tarun Hukku, Head, Admin & Facilities
5. Gokulakrishnan S, Sr. Manager

## **2.5 CSR Expenditure**

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programs undertaken in accordance with the approved CSR Policy.

The total CSR expenditure for Microland's CSR programs covered under this policy shall be 2% of the average net profits of Microland made during the three immediately preceding financial years; where the 'net profit' is calculated as per the provisions of the Companies Act 2013.

Moreover, any surplus arising from any CSR Programs shall be channelised again towards CSR expenditure. Accordingly, any income arising from CSR Programs will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure for the year.

## **2.6 Contact**

For queries related to CSR Policy, please write to Gokulakrishnan S (gokulakrishnans@microland.com)

