



SIFY TECHNOLOGIES LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY
(CSR Policy)

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Change History

Version	Revision Date	Revised By	Description
V2	April 24, 2015	Mr. Suresh Balakrishnan	Change of Secretary
V3	October 24, 2017	Mr. V. Ramanujan	Change of Secretary
V4	January 24, 2022	Mr. V. Ramanujan	Inclusion of Ms. Vegesna Bala Saraswathi as member
V5	November 8, 2023	Ms. J. Meenakshi	Change of Secretary and other changes pursuant to the amendments to Companies Act, 2013
V6	July 18, 2024	Ms. J. Meenakshi	Reconstitution of Committee

Distribution list

Name & Title	Purpose
CSR Committee	For recommendation of the Policy to the Board for approval
Board of Directors	For approval of the Policy

Background

India is one of the largest growing economies in the world. However, it continues to be deluged with various problems and challenges of poverty, health hazards, environmental degradation, illiteracy, poor educational standards, inadequate infrastructure, power crisis, gender bias and the largest number of undernourished children as well as uneven distribution of wealth which many believe, is the root cause of social unrest.

The concept and need for Corporate Social Responsibility (CSR) have gained prominence from all avenues. The Government as well as regulators has framed various guidelines pertaining to responsibilities of business as well as the mandatory Corporate Social Responsibility provisions under the Companies Act, 2013 ("the Act") and Rules made thereunder. The Board of Directors had constituted the CSR Committee in their meeting held on April 22, 2014.

It is recognized that integrating social, environmental, and ethical responsibilities into the governance of businesses ensures their long-term success, competitiveness, and sustainability.

This approach also reaffirms the view that businesses are an integral part of society and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

Sify Technologies Limited ("STL" / "the Company") believes that in alignment with its vision, it will continue to enhance value through its CSR initiatives and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons.

This policy encompasses the company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up not only at the various work-centres and locations of the Company but also in other parts of the Country, for the benefit of the society.

The CSR Committee so constituted formulated the Policy on Corporate Social Responsibility ("CSR Policy") and recommended the same to the Board of Directors of the Company ("the Board") for its approval. The Board vide its resolution dated July 28, 2014, approved, and adopted the CSR Policy with immediate effect.

Pursuant to the various amendments by the Ministry of Corporate Affairs from time to time, the CSR Committee recommended changes in CSR Policy to the Board for its approval. The Board at its meeting held on [...] approved and adopted the amended CSR Policy.

Purpose

1. To lay down guidelines to make CSR a key business process for sustainable development of the society. Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
2. To approve the CSR Policy and disclose the contents of such policy in its report and place it on the Company's website.
3. To directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities in and around our facilities across country and society at large.
4. Establishing a guideline for compliance with the provisions of the Act to dedicate a percentage of Company's profits for social projects.
5. To generate goodwill and recognition among all stakeholders of the Company.

Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

Policy / CSR Activities

The Policy recognises that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules 2014 ("the Rules"). CSR programmes or projects to be undertaken by STL in terms of the CSR Policy shall include activities falling within the purview of Schedule VII of the Act (as amended from time to time).

1. Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
3. 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.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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.
5. 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:
6. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
7. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (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.
9.
 - 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 Organisation (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)

10. Rural development projects.

11. Slum area development.

12. Disaster management, including relief, rehabilitation, and reconstruction activities.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing).

Exclusions:

The following activities shall be excluded from the CSR expenditure of STL:

- a) Activities which are exclusively for the benefit of employees of the company or their family members.
- b) Activities undertaken in pursuance of normal course of business of the Company.
- c) Activities undertaken by the Company outside India.
- d) Direct or indirect contribution to political parties.
- e) Expenditure on item/s not in conformity with Schedule VII of the Act.
- f) Sponsorship activities for deriving marketing benefits for products/services.
- g) Activities for fulfilling statutory obligations under any law in force in India.

Annual spends / Allocation of Funds

The Company would spend not less than 2% of the average net profits of the Company made during the three immediately preceding financial years. Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

The Corpus would thus include 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

In case the Company spends an amount in excess of the requirement under Section 135 of the Act, such excess amount may be set off against the future CSR Spend up to immediate succeeding three financial years subject to the conditions prescribed under the Rules.

The Company may build CSR capacities of its personnel and/or those of its implementing agencies through institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its CSR Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the "Unspent Corporate Social Responsibility Account" and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified as per Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

In compliance with the provisions of the Act, a company having any amount in its Unspent Corporate Social Responsibility Account shall constitute a CSR Committee and comply with the provisions of Section 135 of the Act.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Ongoing Project - Explanation:

Ongoing Project means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

CSR expenditure shall not include expenditure not in conformity or not in line with the activities which fall within the purview of the CSR activities listed in Schedule VII of the Act.

CSR Committee

Guiding Principles for Constitution of CSR Committee:

The CSR Committee will consist of three directors, out of which at least one director shall be an independent director.

To ensure effective implementation of the CSR activities by the Company, the CSR Committee shall review and monitor the same from time to time at its meetings.

The Committee will meet at least twice in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and / or external agencies, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

Committee Members:

The Chairperson, Members and Secretary of the Committee are as follows:

S. No.	Name	Category	Position
1	Ms. Vegesna Bala Saraswathi	Non-Executive Director	Chairperson
2	Mr. Raju Vegesna	Chairman and Managing Director	Member
3	Dr. Thomas Michael Bradicich	Independent Director	Member
4	Ms. J. Meenakshi	Not Applicable	Secretary

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Functions of CSR Committee

1. The CSR activities enumerated above shall form part of the functions of the CSR Committee.
2. To publicise the CSR Policy and initiatives organisation wide, especially through mailers, screensaver and policy documentation and upload(s) on website.
3. To plan and carry out workshops to increase employee awareness on various projects and initiatives.
4. Such other activities as directed by the Board of Directors of the Company and/or as deemed appropriate and expedient by the Committee for the furtherance of CSR objectives of the Company, pursuant to the provisions of the Act.

Transparent Monitoring Mechanism

1. The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.
2. The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee or external consultant or such other person(s) and for such purpose as may be deemed expedient for accomplishing overall CSR objectives laid down under the Act.

Planning and Implementation

To focus on the CSR efforts in a continued and effective way, healthcare and drinking water facility is identified as a main thrust area, besides other activities permitted under the Act.

A list of CSR projects / programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.

Identification of projects and the executing agency/NGO will be made, *inter-alia*, by assessing the following:

Project Objectives

Baseline survey - As-is and To-be state basis, accordingly the outcome of the project will be measured.

Implementation schedules - Timelines for milestones of the project needs to be prescribed and agreed upon.

Responsibilities and authorities

Major results expected and measurable outcome including the expenses / charges ratio as against the actual CSR spend.

Projects / Partners

CSR Committee in consultation of the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Act. These projects would be executed either directly by the Company and/or through CSR Partner(s).

External organisations including international organisations may be engaged for designing, monitoring and evaluation of the CSR projects or programmes as per the CSR policy as well as for capacity building of the Company's own personnel for CSR. The Company may also implement programme in collaboration with other company(ies), for undertaking projects or programmes or CSR activities in accordance with the Rules.

Review and Reporting

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months/such other intervals as deemed fit.

The Company will report the details of CSR initiatives and activities of the Company in the Board's Report and on the website of the Company, as required under the provisions of the Act.

Monitoring

1. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
2. CSR Initiatives will be reported in the Annual Report of the Company.
3. The CSR Committee and persons / entities authorised by it, will conduct due diligence checks on the current projects / partners and report anomalies, if any, immediately.
4. Based on analysis of projects, the CSR Committee will carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.
5. Chief Financial Officer or the person responsible for financial management shall certify that the CSR funds disbursed have been utilised for the purposes and in the manner as approved by the Board/CSR Committee.

Annual Action Plan

CSR Committee formulates and recommends to the Board the CSR policy and the Annual Action Plan. The Board may alter such plan at any time during the financial year as per the recommendations of the CSR Committee based on the reasonable justification to that effect.

The CSR Committee to monitor the progress of the Annual Action Plan and the multi-year programs, if any, the manner of execution, modalities of utilization of funds and implementation schedules along with details of need and impact assessment for projects as required.

The CSR Annual Action Plan shall include the following: -

- I. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- II. the manner of execution of such projects or programmes.
- III. the modalities of utilisation of funds and implementation schedules for the projects or programmes.
- IV. monitoring and reporting mechanism for the projects or programmes; and
- V. details of need and impact assessment, if any, for the projects undertaken by the company.

The CSR Committee will carry out impact assessment, in case average CSR obligation of the Company is Rs. 10 Crore or more in the three immediately preceding financial years, through an independent agency, of its CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment report shall be placed before the Board and shall be annexed to the annual report on CSR.

Further, the amount to be spent on the aforesaid assessment shall not exceed two percent (2%) of the total CSR expenditure for that financial year or Rs.50 Lakhs, whichever is higher.

Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Act on the subject as may be issued from relevant statutory authorities, from time to time.