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BLACK BOX LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR)

1. CSR in India

CSR in India has traditionally been seen as a philanthropic activity. While the corporate houses have been engaged in doing CSR activities voluntarily, the new CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance. The Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR to the forefront and through its "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

2. Objectives

The main objective of the this CSR Policy is to lay down guidelines for activities to be undertaken as specified in Schedule VII of the Act and for Black Box Limited (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas for making a positive contribution to society through high impact, sustainable programs. This Policy covers current as well as future CSR activities to be undertaken by the Company in India, only from amongst the following sectors as identified by the CSR committee and approved by the Board from time to time:-

- i. 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;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among students, 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 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 or Prime Minister's Citizen Assistance and

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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 Castes, the Scheduled Tribes, other backward classes, minorities and women;

- ix. (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).];
- x. Rural development projects.
- xi. slum area development
- xii. disaster management, including relief, rehabilitation and reconstruction activities.
- xiii. Any other activities/purposes as may be added by government of India through circulars/notifications.

The Company will review the sectors from time to time and make additions/deletions/clarifications to the above sectors.

3. Implementation

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The Company may also implement the identified Projects through its Trust or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
3. CSR Committee may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4. The Company, may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

4. Constitution of committee

Pursuant to the provisions of Section 135 of the Act, the Board at its meeting held on 22.04.2014 has constituted the Corporate Social Responsibility (CSR) Committee. The Committee shall consist of three or more directors amongst whom at least one shall be an Independent Director.

5. Responsibilities of the Committee*

Following are the responsibilities of the CSR Committee:

- a. formulating and recommending to the Board, an annual action plan in pursuance the CSR policy of the Company, which shall include 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 as specified in sub-rule (1) of rule 4;
- 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;

Provided that 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.

- b. Recommend CSR activities as stated under Schedule VII of the Act
- c. Recommend the CSR Budget to the Board.
- d. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- e. Create transparent monitoring mechanism for implementation of CSR Initiatives in India
- f. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company

6. Meetings of the CSR Committee

The CSR Committee shall meet at least once in a year till the time it comes within the ambit of section 135 and rules framed thereunder. Quorum for the meeting shall be at least two. . The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Minutes of the CSR Committee shall be placed before the Board for noting.

7. CSR spends

The Act mandates companies to allocate 2% of its average net profits during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

Any amount spent in excess of requirement provided under sub-section (5) of section 135 shall be eligible for set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions specified under Rule 7(3) of Companies (Corporate Social Responsibility Policy) Rules, 2014.

8. CSR Expenditure*:

- i. Net profit means profit more fully described under CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.
- i. The Committee shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

9. Failure to spend the CSR Money*

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company. The CSR unspent amount of any ongoing project, if any, shall be transferred to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year. .

10. CSR Implementation*:

- (1) The Committee shall ensure that the CSR activities are undertaken by the company itself or through –
 - (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - (c) any entity established under an Act of Parliament or a State legislature; or
 - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- (2) the company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
- (3) the company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.
- (4) The Board of Directors 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.

11. CSR INITIATIVES

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to propose any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

12. Disqualifying Activities for CSR

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company only for benefit of the employees of the Company and their families. The CSR activities implemented outside India also fall



outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

13. Monitoring Mechanism

The CSR Committee shall monitor

1. Evaluation of Planned progress V/s Actual Progress
2. Actual expenditure V/s expenditure as per Approved Budget

14. CSR Reporting*

The Board's Report of a company covered under CSR rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

15. Publication of CSR activities on website*

As per the CSR Rules, composition of the CSR Committee, the contents of the CSR Policy and Projects approved by the Board shall be displayed on the Company's website.

****Effective April 01, 2021***
