

CORPORATE SOCIAL RESPONSIBILITY POLICY OF MIDDAY INFOMEDIA LIMITED

A. POLICY OBJECTIVE

Midday Infomedia Limited (MIL or ‘the Company’) is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

B. PRINCIPLES

The Corporate Social Responsibility (“CSR”) activities of the Company will be implemented in accordance with the following principles:

- Businesses should respect, protect, and make efforts to restore the environment.
- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- Businesses should respect and promote human rights.
- Business work should towards equal development of society.
- Businesses should respect cultural ethnicity and dignity of individuals and foster positive relationship with the people in the areas where the Company operates.
- Businesses should provide development opportunities to local communities in a culturally appropriate manner, in consultation & cooperation with local government authorities and other stakeholders, as may be appropriate.
- Businesses should endeavour to develop local entrepreneurship and encouraging use of local goods, services and manpower to promote inclusive economic growth of local areas.

C. SCOPE OF CSR ACTIVITIES

In line with the broad principles defined above, the Company would have freedom and flexibility to choose from any of the activities specified in Annexure 1 hereto. The CSR projects and programs to be undertaken by the Company shall include activities falling within the purview of Schedule VII to the Companies Act, 2013 (“the Act”); as amended from time to time. Thus, with any change in the statutory provisions governing the activities, the Annexure 1 shall be deemed to include/exclude such activities as permissible under law.

The list and implementation modalities may be modified from time to time, as per recommendations of the CSR Committee of the Board of the Company.

The surplus, if any, arising out of CSR initiatives of the Company shall not form part of its business profits and shall be:

- ploughed back into the same project or
- transferred to the unspent CSR Account and spent in pursuance of this CSR Policy and Annual Action Plan of the Company or to a Fund specified in Schedule VII, within six months from the end of the financial year.

D. CSR IMPLEMENTATION

The CSR Committee will be responsible for overseeing the approval, execution, implementation and monitoring of the project.

These programs will be executed by the Company and where appropriate, in partnership with other corporate bodies, local government, various NGO partners, service providers and others.

In case the Company undertakes to carry any of the projects through any trust, society or company not established by the Company or its holding or subsidiary or associate company, the CSR Committee shall ensure that:

- such trust, society, company / entity has an established track record of three years in undertaking similar programs or projects and is eligible to undertake the projects under Section 135 of the Act.
- such trust, society, or company / entity is registered with the Central Government with effect from April 01, 2021 by filing e-form CSR -1, providing details like nature of the entity, constitution of executive committee etc. However, this requirement shall not affect the CSR projects or programmes approved prior to April 01, 2021.

The Company may also engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per this CSR Policy as well as for the capacity building of their own personnel for CSR.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner such that the CSR committees of the respective companies are in a position to report separately on such projects or programmes in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time (“the Rules”).

The CSR amount may also be spent by the Company for creation or acquisition of a capital asset, which shall be held by:

- Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
- Beneficiaries of the said CSR project, in the form of self - help groups, collectives, entities; or
- Public authority.

The Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of this CSR Policy, which shall include the following:

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- The modalities of utilization of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes;
- Details of need and impact assessment, if any, for the projects undertaken by the Company.

Guidelines with respect to expenditure on CSR activities:

- The Board shall ensure that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for the financial year.
- The following activities / contributions shall not constitute CSR expenditure:
 - (i) Activities undertaken in the normal course of business, except for research and development (R&D) activities for new vaccines, drugs and medical devices in their normal course of business to undertake and include R&D activities for new COVID-19-related vaccines, drugs and medical devices for the financial years 2020-21, 2021-22 and 2022-23 under the CSR policy subject to conditions that:
R&D activities are undertaken in collaboration with institutes or organizations mentioned in item (ix) of Schedule VII to the Act and details of such activity are disclosed in annual CSR report.
 - (ii) Any activity undertaken outside India except for training of Indian sports personnel representing any State or Union territory at the national level or India at international level.
 - (iii) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
 - (iv) Activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019.
 - (v) Activities supported by companies on a sponsorship basis for deriving marketing benefits for its products or services.
 - (vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

E. CSR BUDGET

The CSR Committee under the supervision of the Board shall try to ensure that the Company spends in each financial year (“FY”), at least two per cent of the average net profit (calculated as per Section 198 of the Act) made during the three immediately preceding FYs (CSR Budget).

If the Company is unable to spend the prescribed 2% of its average net profit as mentioned above, the Committee will review the reasons for the same and place the same with justification to the Board.

The Company will report reasons for not spending the entire Budget outlay for CSR allocated in any FY. The Company has to provide reason for not spending such amount in that FY. Further, it will not dilute the fund allocation requirement for such next FY.

Any amount remaining unspent under sub-section (5) of Section 135 of the Act, pursuant to any ongoing project, fulfilling such conditions as may be prescribed under law, undertaken by the Company in pursuance of this CSR Policy, shall be transferred by the Company within a period of thirty days from the end of the FY to a special account to be opened in that behalf for that FY in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent in pursuance of its obligation towards this CSR Policy within a period of three FYs from the date of such transfer, failing which, the amount shall be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third FY.

CSR spent in excess of 2% of its average net profits: In case the Company spends an amount in excess of requirement provided under sub-section (5) of Section 135 of the Act, such excess amount may be set off against the requirement to spend under sub-section (5) of Section 135 of the Act up to immediate succeeding three FYs subject to the conditions that –

- The excess amount available for set-off shall not include the surplus arising out of the CSR activities if any,
- The Board of the Company shall pass a resolution to that effect.

F. TARGETS AND PERFORMANCE MEASURES

To ensure effective implementation, the Committee will set measurable targets for each CSR project and Funds for such projects.

G. MONITORING ACTIVITIES

The CSR Projects shall be monitored at various levels as follows:

At the CSR Committee Level:

The CSR Committee will be monitoring the CSR Policy periodically and among other agenda shall consider the following:

- Formulization of the Annual Action Plan;
- Ensure that the Company undertakes to carry CSR projects only through such trusts, society, company or any other entity that are registered with the Central Government (by filing form CSR-1 w.e.f. April 01, 2021);
- Monitoring the utilization of funds towards approved CSR Activities;
- Define and review targets for the CSR commitments and performance measures;

- Evaluate actual CSR performance and impact such activities are making on the people, society and environment;
- Corrective measures to be taken to rectify deviations (if any) and
- Reporting requirements under the CSR provisions.

The members of the CSR Committee (and specifically the Chairman of the Committee) may also undertake the following activities, whenever it deems necessary for effective discharge of its responsibilities:

- Field visits to Project / Program sites;
- Interaction with beneficiary communities to obtain feedback;

At the Board Level:

The Board of the Company shall ensure the following:

- Review that all CSR spends including their utilization and any amount remaining unspent are in accordance with the guidelines defined in the CSR Policy and the CSR Rules under the Act.
- Compliance with disclosure requirements with respect to information to be disclosed on the website of the Company.
- The Board shall monitor smooth implementation of ongoing projects within the approved timelines/ year-wise allocations and shall have the power to make modifications in the on-going projects to ensure implementation within the permissible time limit.

Review of Policy:

- This CSR Policy will be reviewed periodically by the CSR Committee of the Board of the Company.

H. DOCUMENTATION, REPORTING AND DISCLOSURES

In compliance with the provisions of the Act, and in preparation of the Annual CSR Report as per the prescribed reporting format, the CSR Committee / such other person as may be identified by the Committee / Board will ensure the following reporting requirements:

1. All CSR Projects / Programmes are comprehensively documented;
2. All appropriate MIS are maintained, in a suggestive template;
3. Accountability is fixed at every level of the CSR process and the implementation apparatus;
4. Details regarding meetings of CSR Committee;
5. Details of impact assessment of CSR Projects, where required;
6. Set-off of any excess CSR amount against future CSR obligations;
7. Amount spent on administrative overheads, impact assessment, if applicable, and on ongoing projects; etc.

Certification of utilisation of CSR funds

The Board shall satisfy itself that the funds of CSR have been utilized 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.

Disclosure in the Annual Report of the Company

The details about the Policy developed and implemented by the Company on CSR, initiatives taken during the year and details of CSR spent during the FY shall be disclosed in the Annual Report of the Company, pursuant to the provisions of the Act.

This policy shall be subject to amendments under the Act or any other applicable law or regulation, and the Chairman of the CSR Committee is authorised to make the incidental changes to this Policy.

Disclosure on the Website of the Company

The Board shall ensure mandatorily disclosure of the following on the website of the Company:

- Composition of the CSR Committee
- Projects approved by the Board
- CSR policy

Mandatory Impact Assessment

- If the Company's average CSR obligation exceeds INR 100 million in the three immediately preceding FYs, the Company is required to undertake impact assessment through an independent agency for CSR projects of INR 10 million or more and which have been completed not less than one year before undertaking the impact study.
- The impact assessment reports are to be placed before the Board and annexed to the Annual CSR Report.
- Expenditure on impact assessment may be accounted for towards CSR of that financial year, which shall not exceed five percent of the total CSR expenditure in the relevant financial year or INR 5 million, whichever is less.

ANNEXURE 1

CSR Activities as provided in Schedule VII

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- (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 centres 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;
- (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;
- (vii) training to promote rural sports, nationally recognised 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) (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.

Explanation.— For the purposes of this item, the term ‘slum area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.”

- (xii) Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the “Act”) as amended from time to time. (Collectively referred to as “CSR Activities”)