



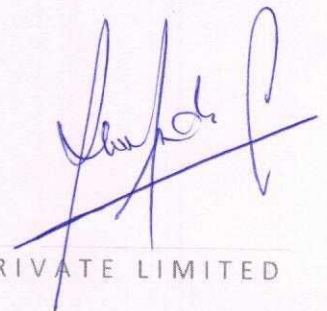
**FIREFOX BIKES PRIVATE LIMITED**

# **Corporate Social Responsibility Policy**

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## **INTRODUCTION:**

Corporate Social Responsibility (CSR) is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Firefox Bikes Pvt Ltd (hereinafter "FFB") is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related Rules.

FFB believes that corporate development has to be inclusive and every corporate has to be responsible for the development of a just and humane society that can build a national enterprise. FFB commits itself to contribute to the society in ways possible for the organization.

## **CSR in India**

CSR in India has traditionally been seen as a philanthropic activity. While the corporate houses have been traditionally 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 new 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.

## **AIMS & OBJECTIVES**

- (i) To develop a long-term vision and strategy for FFB's CSR objectives.
- (ii) Establish relevance of potential CSR activities to FFB's core business and create an overview of activities to be undertaken, in line with Schedule VII of the Companies Act, 2013.
- (iii) FFB shall promote projects that are :
  - (a) Sustainable and create a long term change;
  - (b) Have specific and measurable goals in alignment with FFB philosophy;
  - (c) Address the most deserving cause or beneficiaries.
- (iv) To establish process and mechanism for the implementation and monitoring of the CSR activities for FFB.



### **COMMITTEE MEETINGS**

The CSR Committee shall meet as often as its members deem necessary to perform the responsibilities.

### **DUTIES & RESPONSIBILITIES OF CSR COMMITTEE**

- (i) Review of the CSR activities to be undertaken by FFB. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Companies Act, 2013 and appended to this Policy as Appendix - 1. Appendix 1 may be revised in line with any amendments/inclusions made to Schedule VII of the Companies Act, 2014.
- (ii) Formulate and recommend to the Board the CSR activities/programs to be undertaken by FFB.
- (iii) Recommend the CSR Expenditure to be incurred on the CSR activities/programs.
- (iv) Institute a transparent mechanism for implementation of the CSR projects and activities. Effectively monitor the execution of the CSR activities.
- (v) Prepare an annual report of the CSR activities undertaken for FFB and submit such report to the Board. The CSR Committee shall be apprised by the Managing Director who heads the Committee.

### **RESPONSIBILITY OF THE BOARD**

- (i) Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR committee.
- (ii) Ensure the CSR spending every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the Policy.
- (iii) Ensure that CSR activities included in the CSR Policy are undertaken by FFB and that such activities are related to the activities specified in Schedule VII of the Companies Act.
- (iv) Ensure disclosure of the contents of the CSR Policy on the FFB website.
- (v) Directors' Report for FY 2014-15 onwards to include:
  - (a) Contents of the CSR Policy and Composition of the CSR committee;
  - (b) An annual report on the CSR in the prescribed format as per Appendix- 2;
  - (c) Reasons for failure (if any) to spend required amount on CSR activities.
- (vi) FFB shall undertake the CSR activities directly. The Board may, in the future, decide to undertake and implement its CSR activities through a registered trust or registered society or a Section 8 company (Non-profit entity) established by FFB.  
In case the trust, society or a Section 8 company is not established by the company or its holding or subsidiary or associate company, then such an entity will need to have a 3 years track record of undertaking similar projects or programmes.



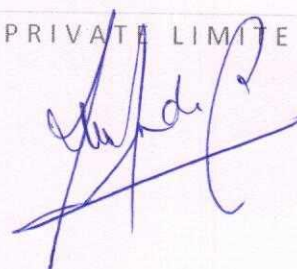
## **Powers of the Committee**

Following are the Powers of the CSR Committee:

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- (ii) Recommend CSR activities as stated under Schedule VII of the Act
- (iii) Approve to undertake CSR activities in collaboration with other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules
- (iv) Recommend the CSR Budget
- (v) 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
- (vi) Create transparent monitoring mechanism for implementation of CSR Initiatives in India
- (vii) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- (viii) Monitor CSR Policy from time to time
- (ix) Monitor activities/charter of Joint Working Group (JWG) who are authorized to ensure that the CSR activities of the Company are implemented effectively
- (x) Authorize executives of the Company to attend the CSR Committee Meetings

## **Meetings of the CSR Committee**

The CSR Committee shall meet as and when required to discharge its responsibilities. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be 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 there under from time to time. Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.



## CSR BUDGET/CSR SPEND

The Act mandates companies meeting the qualification criteria to allocate 2% of its annual net profits (before tax) during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

### CSR Expenditure:

Net profit means profit more fully described under Rule 2(f) of the 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.

### Expenditure on CSR capabilities

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure shall not exceed 2% of the total CSR spend of the Company as stated in the Rules from time to time. Determination of whether a particular expenses fall within this 2% cap can be decided in consultation of the Chief Financial Officer of the Company based on the clarification available from time to time in this regard.

- (i) CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the approved CSR activities.
- (ii) CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- (iii) CSR Expenditure shall not include Projects or programs or activities undertaken outside India.
- (iv) The surplus arising out of the CSR activities or projects shall not form part of the business profit of IGATE.
- (v) Contributions by other IGATE affiliates or employees may also be received and utilized in respect of the CSR activities undertaken.



### **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 in writing 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.

### **CSR ACTIVITIES - PROJECTS**

FFB shall promote CSR activities/Projects in the field of :

- A. Promotion of Education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently-abled and livelihood enhancement projects; with special emphasis on the education of the girl child;
- B. Environment: ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of quality of soil, air and water.
- C. Rural sports: Training to promote rural sports, nationally recognized sports, and para-olympic sports and Olympic sports

FFB may also undertake other CSR activities in line with Schedule VII.

The CSR activities shall be undertaken in locations within India. FFB shall give preference to the local areas and the areas around which IGATE operates while considering the activities to be undertaken and spending the amount earmarked for CSR activities

### **IMPLEMENTING CSR ACTIVITIES**

- (i) The day to day implementation and execution of the CSR activities/projects shall be carried out through FFB CSR Committee Members, headed by FFB Managing Director.
- (ii) FFB shall undertake the CSR activities directly and also through various implementing agencies such as, NGO's, non-profit organizations, etc. Such implementing agencies shall have an established track record as prescribed under the law.
- (iii) Some of the initiatives taken up by FFB will facilitate the involvement of FFB employees as FFB CSR volunteers in ongoing projects and events, giving them an opportunity to engage in socially meaningful activities, thus, enabling them to realize their full potential and role as socially responsible citizens (Employee Volunteer Programs).
- (iv) The initiatives undertaken may be communicated to the employees through specific awareness campaigns, so as to enable maximum participation.



- (v) FFB may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that each companies are in a position to report separately on such CSR projects
- (v) The following activities do not qualify as CSR Activities under the Companies Act, 2013:
  - (a) Projects or activities not falling within Schedule VII (Appendix 1);
  - (b) Activities undertaken in pursuance of normal course of business;
  - (c) Projects or programs or activities that benefit only the employees of FFB and their families
  - (d) Direct or indirect contribution to any political party.

**FFB CSR TEAM CAPABILITIES**

FFB may build and enhance the CSR capabilities and skills of its own personnel through institutions with established track record of minimum three financial years. The expenditure shall not exceed 5% of the total CSR expenditure of FFB in one financial year.

**CSR REPORTING**

The Board in its Annual Report shall include the details of the CSR activities undertaken in the Financial Year. The particulars to be stated in the report shall be in the format prescribed in Appendix -2.

The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of FFB, which statement shall form part of the Boards' Report.

**Reports**

CSR Committee to prepare reports that are required to be placed before the Board. The format of the Report shall be the format prescribed under the CSR Rules stated hereunder:

S.no	CSR Project or Activity Identified	Sector which the project is covered	Project or Programs 1) Local Areas, 2) Specify the state and district where projects or programs was undertaken	Budget ( Project or Program	Amount spent on Project or Program		Cumulative Expenditure	Amount Spent Direct or through Agency	Target Date & Status
					a)Direct Expenditure	b)Overheads			
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### **REVIEW AND AUDIT**

The CSR committee shall be apprised on the implementation of the CSR activities and the progress shall be monitored on a quarterly basis.

IGATE shall through its internal controls, monitoring and evaluation systems implement, assess, document and report the impact of its CSR activities/projects.

Records relating to the CSR activities and the CSR Expenditure shall be meticulously maintained. The Records shall be submitted for reporting and audit.

The financial audits of the implementing agencies shall also be done through periodic audits. In this regard, FFB may appoint independent external consultants for carrying out such audits.

### **AMENDMENTS**

The Policy may be reviewed and amended from time to time.



**APPENDIX - 1**  
**CSR Activities Listed in**  
**Schedule VII of the Companies Act, 2013**

CSR shall focus on social, economic and environmental impact rather than mere output and outcome. Activities which are ad hoc and philanthropic in nature shall be avoided. Various activities that can be undertaken in general under CSR are outlined below:

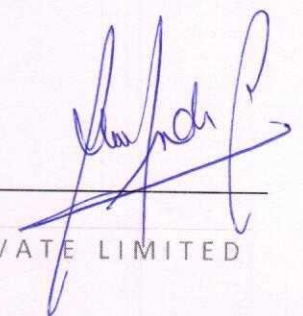
1. eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
2. promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects ;
3. promoting gender equality and 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;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of quality of soil, air and water;
5. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, and Para Olympic sports and Olympic sports;
8. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
10. rural development projects.

**APPENDIX -2**  
**Format for the annual report on CSR activities to be included in the Board's Report**  
**(As per the CSR Rules, 2014)**

1	2	3	4	5	6	7	8
Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/others 2. Specify the state /district (Name of the District/s, State/s where project/programme was undertaken)	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads: 1. Direct expenditure on project, 2. Overheads:	Cumulative spend upto to the reporting period.	Amount spent: Direct/through implementing agency
1							
2							
3							
	TOTAL						

In case the Company has failed to do the minimum mandated Corporate Expenditure, it shall provide the reasons for doing so in the Board Report.

A responsibility statement of the CSR committee shall also be included in the Board's Report.



### **Disqualifying Activities for CSR**

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company 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.

### **Publication of the CSR Policy**

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

