



CORPORATE SOCIAL RESPONSIBILITY POLICY OF MISTRAL SOLUTIONS PRIVATE LIMITED

1. SHORT TITLE & APPLICABILITY:

This document is called the Corporate Social Responsibility Policy ('Policy') of Mistral Solutions Private Limited (shortly referred to as 'Company' or as 'Mistral').

The Policy shall apply to all Corporate Social Responsibility ('CSR') initiatives and activities taken up at the various locations of Mistral in India, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently-abled persons.

The Policy lays down guidelines and the mechanism for undertaking CSR initiatives referred to above.

The Policy has been prepared pursuant to Section 135, the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('Rules') and Schedule VII of the Companies Act, 2013 ('the Act').

2. CSR VISION & MISSION:

Aligning with the vision statement of the Company, Mistral, through its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote development of the society and community, in fulfilment of its role as a Socially Responsible Corporate.

The objective of the Policy is to:

- (a) Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- (b) To directly or indirectly take up programs that benefit the communities in and around its work centers that result, over a period of time, in enhancing the quality of life and economic well-being of the local populace.

3. RESOURCES:

Funding & Allocation:

For implementing its CSR objectives through practical and sustainable CSR programs, Mistral will allocate as its Annual CSR Budget 2% (or such other percentage / amount as may be stipulated in the Act) of the Average Net Profits earned by the Company during every block of immediately preceding three financial years calculated in accordance with Section 198 of the Act and the Board shall ensure that the Company spends the same.

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Note:

Net profit means the net profit of the Company as per its audited annual financial statement prepared in accordance with the applicable provisions of the Act but shall not include (a) any profit arising from overseas branches whether operated as a separate company or otherwise and (b) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

Areas where the CSR funds will be spent:

Mistral clearly understands that it cannot seek to alleviate all the difficulties faced by the people of India. In all humility, it shall endeavour by itself or together with other corporate entities to alleviate the difficulties of the people to the extent it can with the available CSR Budget. Given this premise, the CSR Budget will be spent on a year on year basis, in any of the following projects / programs in accordance with Schedule VII of the Act:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation, including contribution to the Swachh 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 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, 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 the 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 art 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 recognised sports, paralympic sports and Olympic sports.

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

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(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) disaster management, including relief, rehabilitation and reconstruction activities.

(xiii) Such other areas as may be notified by the Ministry of Corporate Affairs from time to time.

The CSR activities can either be new or ongoing but does not include the activities undertaken in pursuance of normal course of business of the Company.

An `Ongoing Project' means a multi-year project undertaken by the 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.

Any surplus / unutilized amount arising out of CSR projects / programs / activities will not form part of the business profits of the Company.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Where the amount to be spent by Mistral under Section 135(5) of the Act exceeds INR 50 lakhs, the Board of Directors of Mistral shall constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of at least three Directors. The Board of Directors of the Company has powers to nominate/ change/ induct members of the Board in the CSR Committee subject to the applicable regulatory requirements and the Organisation's philosophy.

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The Board shall nominate the Chairman of the Committee at the time of constitution or reconstitution of the CSR Committee. Alternatively, the Chairman may be elected from among the members. A person who ceases to be a Director of the Company shall automatically cease to be a member of the CSR Committee.

CSR Committee Meetings:

The CSR Committee (if applicable) shall meet at least twice in a financial year. The quorum for a meeting of the CSR Committee shall be two members present in person or through audio-visual means. The meeting may be called by any member of the Committee or the Chief Financial Officer (CFO) of the Company.

Meetings shall be convened by written notice to each of the members of the Committee at least seven days prior to the meeting. However, meetings may be held at shorter notice if majority of the members of the Committee provide their written consent to the same.

The CSR Committee may have invitees (permanent or temporary) at its meetings. The CSR Committee will be free to formulate its own meeting procedures to the extent permitted under the Act.

Responsibilities of the CSR Committee:

The CSR Committee will play the role of apex review body in implementing and monitoring the CSR projects of the Company. The responsibilities of the CSR Committee will instead be discharged by the Board in cases where the CSR Committee is not required to be constituted.

The CSR Committee shall –

1. Formulate and recommend to the Board, a CSR policy, goals and activities to be undertaken by the Company as per Schedule VII;
2. Recommend and allocate/monitor budget and expenditure to be incurred on the CSR activities. On receipt of the Board's approval, the CSR Committee may engage CSR Implementation Agencies or undertake the projects or CSR activities under its supervision;
3. Monitor the CSR Policy and implementation of the CSR programs/ projects of the Company from time to time;
4. Devise proper implementation/execution schedule in consultation with the CSR implementation agencies or the CSR Implementation Committee, as the case may be for each project/ program.
5. Ensure legal and regulatory compliance with regard to CSR and provide timely updates to the Board;
6. Ensure compliance on reporting in the prescribed format as per the Rules
7. Formulate/finalise and recommend to the Board the following matters with respect to the CSR projects/activities:
 - ▶ Annual action plan;
 - ▶ Annual budget;
 - ▶ Time required for project implementation, with clear identification of Ongoing Projects; and
 - ▶ Prospective outcome of the project/activity

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CSR Implementation Committee:

The Committee shall comprise members from the Senior Management of the Company and shall function under the supervision and guidance of the CSR Committee/ Board (as the case maybe).

Following are the responsibilities of the CSR Implementation Committee:

1. Identify the CSR Programs and the outcome of such programs / projects.
2. Recommend the amount of expenditure to be incurred on the activities;
3. Selection of suitable organizations to partner with the Company in implementing CSR programs;
4. Periodic review of the progress of the approved projects;
5. Preparation of the Annual Report for the approval of the CSR Committee and/or Board.

5. IMPLEMENTATION:

The CSR Committee or the Board (as the case maybe) will determine the quantum of outlay on each of the activities / projects based on the necessity and / or size of the activity / program. The CSR Implementation Committee of the Company can take it forward for speedy implementation.

While spending the amount, preference shall be given to the local area(s) of Company's operation.

Any amount spent on CSR shall not be exclusively for the benefit of the employees of the Company.

Mistral can also collaborate or pool resources with other companies to undertake CSR activities.

Mistral may undertake CSR activities through implementing agencies satisfying the conditions prescribed under the Act, as amended from time to time, which inter alia currently includes that Implementing Agencies should be registered under sections 12A and 80G of the Income Tax Act, 1961 (subject to any amendments to these sections from time to time) and with the Ministry of Corporate Affairs, by filing eForm CSR 1, as required and have a 3 (three) years track record in undertaking similar activities. The qualifying conditions also need to be satisfied by any step-down Implementing Agencies that are engaged by the Company's primary Implementing Agency.

The administrative overheads i.e. expenses incurred by the Company for 'general management and administration' of the CSR functions in the Company, excluding expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

Contribution to any political party either directly or indirectly will not qualify as utilization for CSR activity.

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CSR activities shall not cover one-off events such as marathons / awards / charitable contribution / advertisements / sponsorships of TV programmes, etc.

Any activity(ies) supported by Mistral on sponsorship basis for deriving marketing benefits for its products or services will not qualify as CSR expenditure.

Expenses incurred by the Company for complying with any other Statutes or Regulations (such as Labour Laws, Land Acquisition Act, etc.) would not qualify as CSR expenditure.

Any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.

Where the Company spends an amount in excess of its CSR obligation under the Act, subject to passing of the Board resolution, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding 3 (three) financial years.

The process for implementation:

Identification of programs will be done by means of the following:

- Identification studies by the Company or external professional institutions / agencies;
- Need assessment by internal cross-functional team at the local level;
- Proposals / requests received from District Administration / Local Govt., NGO, etc;
- Discussions and requests with local representatives / civic bodies / Citizen Forums / VOs.

Project based approach:

The CSR Committee/Board (as the case maybe) will follow a project-based accountability approach to stress on the long-term sustainability of CSR projects, where its action plan will be distinguished as Short Term, Medium Term & Long Term in the following manner:

Short Term	Less than 12 months
Medium Term	More than 12 months but less than 24 months
Long Term	24 months and above – <i>Flagship programs.</i>

While identifying long term programs, all efforts must be made to the extent possible, to define the following:

- Program objectives;
- Baseline survey – defining the basis on which the outcome of the program would be measured;
- Implementation schedules - Timelines for defined milestones of the program;
- Responsibilities and authorities;
- Major results expected and measurable outcome.

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6. AUTHORITY FOR APPROVAL

CSR programs as may be identified by the Company will have to be submitted for approval to the CSR Committee or the Board (as the case maybe) at the beginning of each quarter / financial year.

7. IMPLEMENTING AGENCY / PARTNERS

Criteria for identifying Implementing Agency:

While identifying programs, the CSR Implementation Committee will also identify the external agency which would execute the said program. In case of program execution by NGOs/Voluntary organizations the following minimum criteria need to be ensured:

- 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.

Agreement between Mistral & Implementing Agency:

When the program(s) approved by CSR Committee or the Board (as the case maybe) are communicated to the work centers, they will be required to enter into an agreement with each of the executing/implementing agency as per the Standard Model Agreement.

8. MONITORING AND FEEDBACK

To ensure effective implementation of the CSR programs, a monitoring mechanism will be put in place by the CSR Implementation Committee

The CSR Implementation Committee will co-ordinate for proper implementation and monitoring the program. The Implementation Committee shall submit a report to the CSR Committee or the Board (as the case maybe) on a half-yearly basis, covering the following:

- Name of the Project / Program
- Nature of the Project / Program
- Name of the Beneficiary
- Date of Commencement / Completion
- Status of the Project / Program
- Amount earmarked
- Amount spent so far at the end of the half-year
- Amount remaining unutilized, if any.

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The CSR Implementation Committee will conduct impact studies on a periodic basis, including through independent professional third parties or professional institutions, especially on the strategic and high value programs. The CSR Implementation Committee will obtain feedback from beneficiaries about the programs.

Appropriate documentation of the CSR Policy, annual CSR activities, Implementing Agencies, and expenditure entailed will be undertaken on a regular basis and the necessary policy will be available in Company's website.

Details of CSR initiatives of the Company as required under the Rules as amended from time to time will be reported in the relevant Annual Report of the Company.

The Chief Financial Officer (CFO) / person responsible for the financial management of the Company shall certify that the funds allocated for meeting the CSR obligation of the Company have been administered in the areas or projects as approved by the Board of the Company and in accordance with the Act. Such certification will be based on the utilisation report as received from the Implementing Agencies (wherever the CSR projects are being implemented through such agencies) and/or a certificate issued by the implementing agencies' Auditor or an independent Chartered Accountant.

9. FORMULATION OF ANNUAL ACTION PLAN

The CSR Committee or Board (as the case maybe) shall formulate the annual action plan, for each financial year and recommend the same to the Board. The CSR Committee and/or the Board shall adhere to the following guidelines while formulating/ approving the annual action plan for each financial year:

- 1.1. *Evaluation of CSR activities of the preceding financial year:* The achievements and drawbacks of the CSR projects/ activities undertaken in the previous financial year shall be considered and the annual action plan shall be prepared accordingly.
- 1.2. *Identifying projects/activities for the current financial year:* The CSR Committee/Board will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the organisation.
- 1.3. The CSR Committee/ Board, shall endeavour to formulate and approve the annual action plan based on projected financials and finalise the same and recommend it for the Board's approval before the end of the first quarter in every financial year. Any delay in preparation and approval of the action plan can be ratified by the Board.
- 1.4. The CSR Committee/Board shall include a description of the identified activities and the sequence in which they will be undertaken by taking into consideration organizational readiness, strategies, financial and procurement management, etc., disbursement and utilization plans for the unspent amounts from previous years
- 1.5. during the current financial year and disbursement and utilization plan for funds for the relevant (concerned) financial year.
- 1.6. Any amendment to the annual action plan shall be recommended by the CSR Committee, if any and approved by the Board of Directors.

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10. TREATMENT OF UNSPENT CSR

- 1.1. The unspent CSR amount pertaining to an annual CSR project shall be transferred to any fund included in Schedule VII of the Act such as Prime Minister's National Relief Fund, Swachh Bharat Kosh or any other fund specified by Central Government in this regard under the Act, within 6 (six) months from the end of the concerned financial year.
- 1.2. If the unspent CSR amount pertains to an Ongoing CSR Project, the amount has to be transferred to a separate bank account to be called as "Unspent CSR Account" within 30 (thirty) days of the end of the concerned financial year and is to be spent on CSR obligations as per this CSR Policy within a period of 3 (three) financial years.
- 1.3. In case the Company is unable to spend the CSR obligation on the Ongoing CSR project within the prescribed period of 3 (three) financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act within 30 (thirty) days of the end of the concerned 3rd financial year.
- 1.4. Wherever funds disbursed by the Company remain unspent at the year end and are lying with the Implementing Agency, the Company may either request the Implementing Agency to return the same directly to its Unspent CSR Account / other bank account OR treat the same as an advance to be utilized by the Implementing Agency, to meet the spend for the next financial year. In the latter case, the Company will separately meet its obligation to transfer the unspent funds either into an Unspent CSR Account or to a prescribed Fund.

11. GENERAL

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference has to be made to the CSR Committee or the Board (as the case maybe). In all such matters, the interpretation and decision of the Committee or the Board shall be final and binding.

Any or all provisions of the CSR Policy would be subject to revision/amendment in the best interests of the Company and/or in accordance with the guidelines on the subject as may be issued by Government, from time to time.

The Company reserves the right to add to, cancel or amend any part of the CSR Policy document.