

UTI INFRASTRUCTURE AND TECHNOLOGY SERVICES LIMITED

CIN: U65991MH1993GOI072051

Registered Office: Plot No. 3, Sector II, CBD Belapur, Navi Mumbai – 400 614

CORPORATE SOCIAL RESPONSIBILITY POLICY

AUGUST 2021

UTI Infrastructure Technology and Services Ltd Corporate Social Responsibility (CSR) Policy

1. Preamble

UTI Infrastructure Technology and Services Ltd., as a Government Company under Section 2(25) of the Companies Act, 2013 registered under the Companies Act, 1956..

2. Objective

With introduction of CSR regulations under the Companies Act, 2013 and corresponding Rules, the Corporate now have a legal mandate towards their social responsibility. Hence the Company is pledging itself for continued CSR activities within the corporate policy framework.

This policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as including any amendment from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social welfare projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.

3. Definitions

In this policy unless the context otherwise requires:

- (a) "Act" means the Companies Act, 2013 (18 of 2013);
- (b) "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- (c) "Annexure" means the Annexure appended to these rules;
- (d) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - (i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
 - (ii) 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;

- (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 (29 of 2019);
- (v) activities supported by the companies on 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 Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- (f) "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- (g) "International Organisation" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
- (h) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -

- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

- (i) "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;
- (j) "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);
- (k) "section" means a section of the Act.

(2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act. ”.

4. CSR Activities

The Policy recognizes that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably protect environment, spread/promote education, and improve the lives of underprivileged. CSR Activities that may be undertaken by the Company shall include all the items or activities that are recognized as such under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, and as specified under Schedule VII and as amended from time to time as under: These are as follows as on today:

- i. Eradicating, hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swachh Bharat Kosh set by the Central Government for promoting sanitation and making available safe drinking water; spending CSR funds for COVID-19 related activities shall qualify as CSR expenditure.
- 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 or 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; the Central Armed Police Force (CAPF) and Central Para Military Force (CPMF) veterans, and their dependents including widows;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. Contribution to 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;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or any agency or Public Sector Undertaking of 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 Homeopathy (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. Spending CSR funds for COVID-19 related activities shall qualify as CSR expenditure Contribution made to State Disaster Management Authority to combat COVID-19 shall qualify as CSR expenditure,

The above areas shall be liberally interpreted so as to capture the essence of the subjects enumerated in the said Schedule. Clarifications/ notifications issued by Ministry from time to time shall be used to determine whether any activity is covered under prescribed activities mentioned under Schedule VII of the Companies Act, 2013

5. Activities not constituting as CSR activities or programs:

- i) Activities or programs out of the scope of the CSR policy adopted by the company.
- ii) Activities undertaken in the pursuance of normal course of business.
- iii) Expenditure on any item not in conformity or not in line with activities which fall within the purview of schedule VII of the Act.
- iv) CSR projects or programs or activities under taken outside India shall not amount to CSR expenditure.
- v) CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities under section 135.
- vi) Contribution of any amount directly or indirectly to any political party under section 182 of the Act, 2013 shall not be considered as CSR activity.
- vii) Expenditure exceeding 5% of total CSR expenditure of the company in one financial year through their own personnel as well as those of their Implementing Agencies through Institutions with established track records of at least 3 financial years shall not be considered as CSR expenditure.
- viii) One– off events such as marathons/awards/charitable contribution/advertisement/ sponsorships of TV programmes, etc would not qualify as part of CSR expenditure.
- ix) Expenses incurred by companies for the fulfillment of any act/statue of regulations (such as labour laws, land acquisition act, etc) would not amount to CSR expenditure.
- x) Expenditure incurred by Foreign Holding Company for CSR activities in India will qualify as CSR spend of the Indian Subsidiary, If the CSR expenditures are routed through such Indian Subsidiary/ies and if the Indian Subsidiary is required to do so as per section 135 of the Act.
- xi) Sustainable urban development and urban public transport systems not covered as CSR activities.
- xii) US-India Physicians Exchange Program – broadly speaking, this would be program that provides for the professional exchange of physicians between India and the United States.
- xiii) 'Chief Minister's Relief Fund' or 'State Relief Fund for COVID-19' is not included in Schedule VII of the Companies Act, 2013 and therefore any contribution to such funds shall not qualify as admissible CSR expenditure.

- xiv) Payment of salary/ wages in normal circumstances is a contractual and statutory obligation of the company. Similarly, payment of salary/ wages to employees and workers even during the lockdown period is a moral obligation of the employers, as they have no alternative source of employment or livelihood during this period. Thus, payment of salary/ wages to employees and workers during the lockdown period (including imposition of other social distancing requirements) shall not qualify as admissible CSR expenditure.
- xv) Payment of wages to temporary or casual or daily wage workers during the lockdown period is part of the moral/ humanitarian/ contractual obligations of the company and is applicable to all companies irrespective of whether they have any legal obligation for CSR contribution under section 135 of the Companies Act 2013. Hence, payment of wages to temporary or casual or daily wage workers during the lockdown period shall not count towards CSR expenditure.

6. The Geographic Reach

The Act provides that the Company shall give preference to the Local Area and areas around where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in the States, where it has its operations. However, the Committee may identify such areas other than stated above, as it may deem fit and recommend it to the Board for undertaking CSR Activities.

7. CSR Expenditure

- (1) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- (2) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- (3) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be 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 that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - (ii) the Board of the company shall pass a resolution to that effect.
- (4) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
 - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification. ”.

8. Annual spends

The Company would spend not less than 2% of the average net profits of the Company made during the three immediately preceding financial years. The surplus arising out of CSR activity will not be part of business profits of the Company and it would be added back to the CSR spends.

The Company may build its in house team to work on various CSR activities across different states where the Company operates. Salaries of all such personnel shall form part of the CSR expenditure.

Further the Company may improve the capabilities of its own regular CSR staff as well as those of their implementing agencies with the help of institutions with established track records of at least three financial years, but such expenditure shall not exceed 5% of total CSR expenditure of the Company in any year.

If any ex-gratia payment is made to temporary / casual workers/ daily wage workers over and above the disbursement of wages, specifically for the purpose of fighting COVID 19, the same shall be admissible towards CSR expenditure as a onetime exception provided there is an explicit declaration to that effect by the Board of the company, which is duly certified by the statutory auditor.

9. Modalities

The Company shall execute various CSR activities which are in line with Clause 4 of this policy

- i) through its own CSR staff, or
- ii) through a registered trust or a registered society or a Company established by the Company under Section 8 of the Act, or
- iii) by way of making contribution to a registered trust towards various activities carried out by such trust which are in conformity with areas / items mentioned under clause 4 of this policy, or
- iv) in collaboration with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committee of the respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014, or
- v) In any other manner as may be permitted under the Act and the Rules.
- vi) The employees of the Company who are interested in CSR related activities can act as its volunteers. For effective compliance, execution, supervision and reporting an employee in the grade of not lower than Assistant Vice President shall act as a Nodal Officer.
- vii) The Nodal officer and the volunteers will be decided by the MD & CEO. The team will be enlarged as and when required. The Nodal Officer will submit the report regarding the progress in the implementation of CSR activities to MD & CEO who will in turn submit the report to the CSR Committee with his comments/suggestions if any. The CSR Committee will report the progress to the Board of Directors periodically with its Comments/ suggestions.
- viii) MD & CEO will have the authority to incur expenditure on the activities and projects within overall sanction/ceilings approved by the CSR Committee.

10. Role of CSR Committee

The role of CSR Committee shall include:

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d. monitoring and reporting mechanism for the projects or programmes; and
- e. 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. ”.
- f. Formulation and recommending to the Board of Directors the CSR Policy and indicating the activities to be undertaken by the Company.
- g. Recommending to the Board the amount to be spent on CSR activities during the Financial Year and also decide on the budgets/estimates of periodic spending on the identified list of activities/ areas.
- h. Evaluating the proposal submitted by the Company for CSR activities and accord its approval.
- i. Monitor CSR activities based on the progress report submitted by the MD & CEO, and appraise the Board of Directors on the same.
- j. The CSR Committee shall meet at least once in a quarter to review the CSR activities undertaken by the Company.

11. CSR Implementation:

(1) The Board 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.

(3) (a) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the **01st day of April 2021**:

Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the **01st day of April 2021**.

- (b) Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally

by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice.

- (c) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.
- (3) A 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.
- (4) A 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 these rules.
- (5) The Board of a company 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.
- (6) In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

12. CSR Reporting:

- (1) The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.
- (2) In case of a foreign company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.
- (3) (a) Every company having average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less. ”.

13. Display of CSR activities on its website. –

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

14. Transfer of unspent CSR amount. - Until a fund is specified in Schedule VII for the purposes of sub-section (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.”.

In the said rules,-

- (i) The Annexure shall be numbered as “Annexure –I” and in the heading of Annexure I as so numbered, after the words “BOARD’S REPORT”, the words and figures “FOR FINANCIAL YEAR COMMENCED PRIOR TO 1ST DAY OF APRIL, 2020” shall be inserted;

15. Amendments to the Policy

The provisions of the CSR Policy would be subject to revision/amendment by the Board of Directors on the recommendations of CSR Committee in accordance with the Regulations.
