

# **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**

**WITH EFFECT FROM 16 MARCH, 2016**

**VERSION: 1**

## **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 as amended from time to time;

(b) 'Corporate Social Responsibility' (CSR) means and includes but is not limited to :-

- i) Projects or programs relating to activities specified in Schedule VII to the Act; or
- ii) Projects or programs relating to activities undertaken by the Board of Directors of the Company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy shall cover subjects enumerated in Schedule VII of the Act.

(c) 'Ministry' means the Ministry of Corporate Affairs, Government of India, New Delhi.

- (d) 'Net Profit' means the net profit of the 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 net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act:

Provided further 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.

- (e) 'CSR Committee' means the Corporate Social Responsibility Committee of the Board of Directors referred to in Section 135 of the Act and as amended from time to time.
- (f) 'CSR Policy' means this policy andas amended from time to time. "CSR Policy" relates to the activities to be undertaken by the Company as specified in Scheduled VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company;
- (g) Words and expressions used in this CSR Policy and not defined herein 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 Swach Bharat Kosh set by the Central Government for promoting 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 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;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. Contribution to 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. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects;
- xi. Slum area development  
Explanation: for the purpose 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.

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.

## **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. 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.

## **8. 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) Otherwise, in any other manner as may be permitted under the Act and the Rules,

Provided that if such trust, society or Company is not established by the Company or its subsidiary or associate Company, it shall have an established track record of 3 years in undertaking the activities in the areas as mentioned under clause 4 of this policy.

Managing Director or Chairman or any of the Executive Directors of the Company shall from time to time approve the budget and the modalities of expenditure on any CSR activities which are in conformity with the CSR Policy and are within the overall ceilings on the spend as may be specified by the CSR Committee.

## **9. Monitoring**

The CSR Committee shall meet at least once in a quarter to review the CSR activities undertaken by the Company.

At the beginning of every financial year, annual requirement of CSR spend shall be determined along with broad estimates of periodic spending and identified list of activities / areas with respective estimated spend. The balance of annual spends against which CSR activities are yet to be identified shall be separately indicated for decision during the year.

A periodic review, at regular monthly / quarterly intervals, shall be taken by Executive Directors, wherein they shall review -

1. Progress of various activities undertaken under CSR Policy.
2. Estimated CSR expenditure on identified activities and actual expenditure on them till date.
3. New activities identified with estimated expenditure.
4. Revised Balance from the Annual spends, not so far allocated to any identified CSR activity.

The Executive Directors shall, at every meeting of the CSR Committee, place a report based on the periodical review conducted by them. The CSR Committee shall review such reports and keep the Board apprised of the same.

## **10. Reporting and Disclosure**

The Company shall provide, in prescribed format as set out under Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of CSR initiatives and activities of the Company in its Director's Report. The contents of this policy shall also be posted on the website of the Company.

## **11. Amendments to the Policy**

Any or all provisions of this CSR Policy would be subject to revision/amendment by the Board of Directors on its own or on the recommendations of CSR Committee or else in accordance with the Regulations on the subject as may be issued by the relevant statutory authorities from time to time.

Any revision/amendment to the Policy as a result of such regulatory changes shall be carried out with the approval of the Board.

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