

# **Corporate Social Responsibility Policy for**



## **United Telecoms Limited**

## Table of Content

A. Context	3
B. Company's Objective & Philosophy	3
C. Regulatory Framework	3
D. Focus Areas	4
E. Undertaking CSR activities	4
F. Location of CSR efforts	4
G. Composition of CSR Committee	4
H. Governance Mechanism	4
I. CSR Obligations, Selection, Implementation & Monitoring	6
J. Limitation & Amendment	7
K. Effective Date	8
L. Contact	8
Annexure I - CSR Thrust Areas	9

## A. Context

United Telecoms is committed to operate and grow its business in a socially responsible way. We strongly believe that along with sustained economic performance, environmental and social stewardship is important for holistic business growth. This Corporate Social Responsibility Policy ("the CSR Policy") has been framed by United Telecoms Limited ("the Company") in accordance with the provisions of Section 135, Schedule VII of Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs.

Unless the context otherwise requires, the definitions mentioned in the new notification dated January 22, 2021 and Companies Act 2013, shall apply to this CSR Policy.

## B. Company's Objective & Philosophy

This CSR Policy of the Company, as recommended by the Corporate Social Responsibility Committee (CSR Committee) and approved by the Board of Directors (Board), outlines a clear agenda through which we will contribute to the communities. The objective of this policy set the direction for the CSR activities of the Company and defines the governance and monitoring framework for ensuring the effectiveness of the policy.

The company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'. Our vision is to be a responsible industry leader and demonstrate transparent and ethical behavioral practices, which will contribute to the economic and sustainable development within the company, industry, and society at large.

At UTL, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders. Within this, there is comprehensive and ambitious set of commitments and actions to:

- I. Work towards building better health and well being of the people;
- II. Work towards building healthier planet; and
- III. Work towards building a more inclusive world.

## C. Regulatory Framework

The Companies Act, 2013 together with the rules notified thereunder ('the Act') and Schedule VII to the Act provides a framework for companies to define the focus areas in the CSR space. The law also guides companies to apply the scope as defined under Schedule VII liberally. Further, the Act also provides instructions on agencies eligible for implementation through which the Companies may spend its CSR expenditure. The company's CSR Policy, focus areas and the implementing agencies shall therefore remain within the boundary set by the law. The CSR policy recommended by the CSR Committee

and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

## **D. Focus Areas**

The company will focus its efforts in the domains of education, healthcare, sanitation & hygiene, livelihood and Agriculture. The beneficiaries in focus will be children, women, youths and farmers. However, our commitment to CSR will be manifested by investing resources in any of the areas shown in Annexure 1.

## **E. Undertaking CSR activities**

The company will undertake its CSR activities, recommended by the CSR Committee, directly or through the entity/organization as recommended by the CSR Committee. The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.

## **F. Location of CSR efforts**

The CSR committee will decide on the locations for CSR activities.

## **G. Composition of CSR Committee**

The Company has constituted Corporate Social Responsibility Committee ("the Committee") comprising of following three Directors out of which one Director is an Independent Director:

1. Dr. Potluri Rajmohan Rao - Chairman
2. Dr. Padmavathi Potluri - Managing Director
3. Mr. Vijay Jain - Independent Director
4. Dr. Bhiva Rao Rajdhar Patil – Independent Director

Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

## **H. Governance Mechanism**

We follow structured governance procedures to monitor CSR activities. The Board of Directors of the Company governs our CSR Policy. The Board has constituted a CSR

## CSR Policy

Committee of minimum three directors comprising Chairman, Director and Independent Director to monitor the Policy and the programmes from time to time.

### Board of Directors

The Board monitors and reviews the performance and impact of the CSR programmes, provides input and course corrections if required. The CFO shall certify to the fact that CSR funds so disbursed have been utilised for the purposes and in the manner approved by the Board. The responsibilities of the board may include:

- ☒ The Board after taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company and disclose contents of such Policy in its report and also place it on the company's website.
- ☒ Ensure that the Company undertakes the CSR activities included in this Corporate Social Responsibility Policy.
- ☒ The Board shall ensure that the CSR activities are undertaken by the company itself or through eligible entities.
- ☒ The Board of a company shall satisfy itself that the funds disbursed to the entities for 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 provide utilisation certificate to the effect.
- ☒ Any amount remaining unspent pursuant to any ongoing project, undertaken by a company in pursuance of its CSR Policy shall be transferred by the company in the unspent CSR Account.
- ☒ The Board of Directors of the Company to mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on the company website for public access.

### CSR Committee of the Board of Directors

The CSR Committee provides oversight and guidance on CSR performance and monitors compliance with the CSR Policy, commitments and the applicable CSR provisions. The responsibilities of the CSR Committee may include:

- ☒ Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.
- ☒ Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- ☒ Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- ☒ Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- ☒ Monitor the implementation of the CSR Policy from time to time.
- ☒ Formulate & recommend an annual plan to the Board.
- ☒ Such other functions as the Board may deem fit.

## I. CSR Obligations, Selection, Implementation & Monitoring

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### I. CSR Obligations :

In accordance with Section 135(5) of the Companies Act, 2013 (the Act), the company is committed to spend 2% of its average net profits made during the three immediately preceding financial years in activities that are listed in Schedule VII (as amended) to the Act. The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of its Annual Action Plan. If the company spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure that can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

In order to compute whether the company has under spent or over spent, the project cost and administrative overheads not exceeding 5% of the total CSR expenditure of the Company for the financial year shall be considered.

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### II. Selection:

The CSR activities can be undertaken either directly or through an implementing agency. The Implementing Agency should meet the statutory eligibility criteria laid down under the Companies Act, 2013. Additionally, the Company shall conduct appropriate due diligence of the implementation agency before associating with the agency. Such due diligence shall inter alia cover aspects of financial position of the agency, credibility, history and experience in the relevant area, any potential conflict of interest and existing and past litigations. A company may engage international organizations for designing, monitoring, and evaluation of the CSR projects or programs as per its CSR policy as well as for the capacity building of their personnel for CSR.

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### III. Implementation and Monitoring:

The CSR activities undertaken by the Company either directly or through an implementing agency shall be periodically monitored. While monitoring, the Company shall ensure that the implementing Agency or the vendor, follow ethical practices and endeavor to ensure all payments made to the implementing Agency or the vendor to be milestone based. The monitoring process adopted by the Company may include obtaining of reports of different kind, self-declaration, On-site visit, etc.

The respective CSR personnel will present their annual budgets along with the list of approved CSR activities conducted by the Company to the CSR Committee together with

the progress made from time to time as a part of the evaluation process under the monitoring mechanism. The impact assessment shall be conducted for eligible CSR projects or programs as mentioned under the Act.

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## IV. Expenditure

The CSR activities undertaken in India only shall amount to CSR Expenditure.

CSR Expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities, which fall within the purview of Schedule VII of the Act.

The following contributions shall not be considered as CSR Expenditure;

- ☒ Contributions of any amount, whether directly or indirectly, to any political party or any person associated with a political party.
- ☒ Amount spent, whether directly or indirectly, for the benefit of employees of the Company, its Subsidiaries and Associates and their families.
- ☒ Expenses incurred by the Company for the fulfillment of obligations any act/statute of regulations (such as labour laws, land acquisition act etc.)
- ☒ Expenses incurred by the Company for one off events such as marathons/awards/charitable contribution/advertisement/sponsorships of TV programs etc.
- ☒ Other contributions/expenses not recognized under the Act/Rules as amended or modified, from time to time.

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## V. Annual Action Plan:

All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan. The Annual Action plan shall be simple, action oriented, measurable, relevant and time bound.

## J. Limitation & Amendment

The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes/modifications and/or amendments to this Policy from time to time for making suitable amendments for better implementation of the Policy. In the event of any conflict between the provisions of this Policy and statutory requirements, law shall prevail over and automatically be applicable to this Policy.

## **K. Effective Date**

This policy is effective from 23<sup>rd</sup> June, 2021.

## **L. Contact**

For queries related to the CSR Policy, please write to us at [companysecretary@utlindia.com](mailto:companysecretary@utlindia.com).



## Annexure I - CSR Thrust Areas

The company will focus its efforts in the domains of education, healthcare, sanitation & hygiene, livelihood and Agriculture. The Company will focus its efforts within the constituencies of children, women, youth & farmers through programmes designed.

However our commitment to CSR will be manifested by investing resources in any of the areas shown below -

1. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contributions to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation & making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly & the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women & orphans; setting up old age homes, day care centres, and such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agroforestry, conservation of natural resources & maintaining quality of soil, air & water, including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of the river Ganga;
5. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up of public libraries; promotion & development of traditional arts & handicrafts;
6. Measures for the benefit of armed forces veterans, war widows & their dependents;
7. Training to promote rural sports, nationally recognized sports, paralympic sports & Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of

## CSR Policy

Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

10. Rural development projects
11. Slum Area Development.
12. Disaster management, including relief, rehabilitation and reconstruction activities.