



# **Policy on Corporate Social Responsibility (CSR)**

**UNIORBIT TECHNOLOGIES PRIVATE LIMITED**

**Bengaluru  
22<sup>nd</sup> September 2022**

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## REVIEW DETAILS

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## 1. BACKGROUND: CSR POLICY

**Uniorbit Technologies Private Limited** (referred to as “Uni” or the “Company”) believes in the importance of incorporating social, environmental, and ethical responsibilities into business governance is crucial for ensuring enduring success, competitiveness, and sustainability. Embracing Corporate Social Responsibility (CSR) is not only a responsible choice but also a strategic one.

Further, this Policy has been framed in the light of the provisions of the Companies Act, 2013, whereby every company

- having net worth of Rs 500 crore or more, or
- turnover of Rs 1,000 crore or more or
- a net profit of Rs 5 crore or more

during immediately preceding financial year shall constitute a Corporate Social Responsibility Committee.

It is to be noted that this requirement does not directly apply to holding or subsidiary company in the group automatically but only if such entity meets the criteria as per Companies Act, 2013 on a standalone basis.

The Board of Directors of the Company at its Meeting held on 22nd September 2022 has formulated and adopted a Policy, recommend spend and also monitor CSR spends.

This policy is not brought into existence for the benefit of the employees and their immediate family members in the areas of extending loan to employees, participation at festivals and best worker award etc.

## 2. OBJECTIVE

The purpose of this Policy is to define the projects and programs to be undertaken by the Company for the purpose of complying with the Company's CSR obligations as per Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time. The policy document also prescribes the methodologies of implementation of the Policy and periodic monitoring.

## 3. DEFINITIONS

In this Policy, unless the context otherwise requires-

- a) “**Act**” means the Companies Act, 2013 as may be amended time to time.
- b) “**Board**” means the Board of Directors of Cerebra Integrated Technologies Limited.
- c) “**CSR Rules**” mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued under Companies Act, 2013 by the Central Government of India, as may be amended time to time.
- d) “**CSR Committee**” means the Committee constituted by the Board of Directors of the Company from time to time to comply with the provisions of Act and the CSR Rules.
- e) “**Net Profit**” means net profit as defined in Section 135 read with Section 198 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as set out below: Net Profit as per financial statements 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. Words and expressions used and not defined in this Policy but defined in the Act and CSR Rules shall have meanings respectively assigned to them in the Act & CSR Rules.

#### 4. COMPOSITION OF CSR COMMITTEE

The Company shall constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of 2 (two) or more Directors.

In future, if the Company qualifies under Section 149(4) of the Companies Act 2013 to appoint an independent director then the CSR Committee shall have atleast 3 (three) Directors, out of which at least one Director shall be an independent director.

Where the amount required to be spent by a company on CSR does not exceed Rs. 50 (fifty lakh rupees), the requirement for constitution of the CSR Committee is not mandatory and the Board of Directors can discharge the duties of the CSR Committee.

Since the to be spent is less than Rs. 50 lakhs there is no requirement to form a committee the Board will form a committee as and when the amount to be spent exceeds Rs. 50 Lakhs

#### 5. RESPONSIBILITIES OF THE CSR COMMITTEE

The Corporate Social Responsibility Committee ("CSR Committee") shall –

1. Formulate and recommend a CSR policy to the Board;
2. Recommend the amount of expenditure to be incurred on CSR activities;
3. Implement and Monitor the CSR Policy of the company from time to time and
4. formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in rule 5(2) of the Companies (CSR Policy) Rules, 2014.

#### 6. RESPONSIBILITIES OF THE BOARD

CSR is a Board-driven process. The responsibilities of the Board of a CSR-eligible company, inter-alia, include the following:

1. Approve the CSR policy of the Company
2. Disclose contents of such policy in its report and also place it on the company's website, if any;
3. Ensure that the activities included in the CSR policy are undertaken by the company;
4. Ensure that the company spends, in every financial year, at least 2 (two) per cent of the average net profits of the company made during the three immediately preceding financial years.
5. Satisfy itself regarding the utilisation of the disbursed CSR funds. The CFO or finance person in charge shall certify to this effect to the Board.
6. If the company fails to spend at least 2 (two) per cent of the average net profits of the company, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer the unspent CSR amount as per provisions of sections 135(5) and 135(6) of the Act

7. Make modifications (if required) in such projects to ensure smooth implementation of the project within permissible time limit.

#### **Mode of administration:**

The Board of the Directors of the Company may decide to undertake its CSR activities as recommended by the CSR Committee, through

- a. Directly by the company itself
- b. Other agencies as allowed under Rule 4 (1) of the CSR rules:
  1. a registered trust or a registered society or a Company established by the Company or its holding or subsidiary or associate Company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.
- c. In collaboration with one or more companies as prescribed under Rule 4 (4).

International Organization as defined in Rule 2 of the Rules can also be engaged for designing, monitoring and evaluation (excluding implementation) of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR.

## **7. NATURE OF ACTIVITIES, PROJECTS OR PROGRAMS ALLOWED UNDER THIS POLICY**

CSR expenditure can be incurred in multiple modes:

- a. 'Activities route', which is a direct mode wherein a company undertakes the CSR projects or programmes as per Schedule VII of the Act, either by itself or by engaging implementing agencies as prescribed in Companies (CSR Policy) Rules, 2014.
- b. 'Contribution to funds route', which allows the contributions to various funds as specified in Schedule VII of the Act.
- c. Contribution to incubators and R&D projects, as specified in item (ix)(a) and contribution to institutes/organisations, engaged in research and development activity, as specified under item (ix)(b) of Schedule VII of the Act.

#### **A. Activities Route:**

The projects or programs to be undertaken by the Company under this Policy shall be in compliance with the subjects enumerated in Schedule VII (as amended from time to time) of the Act.

The following is the list of CSR projects or programs which the Company plans to undertake pursuant to Schedule VII of the Act:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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;
  - 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 recognised sports, paralympic sports and olympic sports;
  - viii. Contribution to the 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.
  - xii. Disaster management, including relief, rehabilitation and reconstruction activities.

### **Restricted Activities**

The following restrictions will be applied by the CSR Committee before finalizing projects/activities:-

1. The CSR activity shall not be in the ordinary course of the business of the Company.
2. Activities undertaken outside India, except for training of Indian sports personnel representing any State or Union Territory at national level or India at international level;
3. There shall not be any contribution directly or indirectly to any political party.
4. The CSR activities which are exclusively for the benefit of the Company, employees or their family members shall not be considered as CSR activity.
5. Sponsorship activities for deriving marketing benefits for products/services;
6. Activities for fulfilling statutory obligations under any law in force in India

### **Preference To Be Given To Local Area**

It is recommended but not mandatory that the Company gives preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.

### **B. Contribution to funds route:**

Contributions to the following funds shall be admissible as CSR expenditure:

- (i) Swachh Bharat Kosh
- (ii) Clean Ganga Fund
- (iii) Prime Minister's National Relief Fund (PMNRF)
- (iv) Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)
- (v) Any other fund set up by the Central Government and notified by the Ministry of Corporate Affairs, for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

## 8. MEETINGS, PLANNING AND IMPACT ASSESSMENT

### Meetings:

The CSR Committee shall meet at least twice (2) in a year or as many times as required to decide, implement and monitor the CSR activities. Such meetings shall precede the meetings of the Board of Directors.

### Planning:

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:

1. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
2. the manner of execution of such projects or programs as specified in sub-rule (1) of Rule 4;
3. the modalities of utilization of funds and implementation schedules for the projects or programs;
4. monitoring and reporting mechanism for the projects or programs; and
5. details of need and impact assessment, if any, for the projects undertaken by the company
6. Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee.

Collaborative partnerships are formed with the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders. This helps widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

### Impact Assessment:

- All activities/projects of CSR are assessed under the agreed strategy, and are monitored every quarter/year, measured against targets and budgets. Wherever necessary, midcourse corrections are made.
- To measure the impact of the work done, a social satisfaction survey / audit is carried out by an external agency.

Such impact assessments shall become mandatory under Rule 8(3) of the Companies (CSR Policy) Rules, 2014 for :

- (i) companies with minimum average CSR obligation of Rs. 10 crore or more in the immediately preceding 3 financial years; and
- (ii) companies that have CSR projects with outlays of minimum Rs. 1 crore and which have been completed not less than 1 year before undertaking impact assessment.

Impact assessment shall be carried out project-wise only in cases where both the above conditions are fulfilled. In other cases, it can be taken up by the company on a voluntary



basis.

**Disclosure:**

The impact assessment reports shall be placed before the Board and shall be annexed to the report on CSR. A web-link to access the complete impact assessment reports and providing executive summary of the impact assessment reports in the annual report on CSR.

## 9. CSR BUDGETING AND EXPENDITURE

**Statutory requirement:**

The Board shall ensure that the company spends, in every financial year are

1. at least 2% (two percent) of the average net profits of the Company made during the three (3) immediately preceding financial years
2. Preference shall be given to the local area and areas around it where it operates.

No amount needs to spent in case of a loss making company.

Other considerations for CSR expenditure:

- Administrative overheads shall not exceed 5% (five percent) of total CSR expenditure of the Company for the financial year.
- Additionally 5% of total CSR expenditure upto maximum of Rs 50 lakhs can be spent on impact assessment cost paid to independent agency
- Any surplus arising out of CSR activities shall not form part of business profits and instead 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 6 months of the expiry of the financial year. If not done the same will attract monetary penalties of upto INR 1 Cr on company and INR 2Lakhs per officer in default.
- Any excess amount may be set off against the requirement to spend up to immediate succeeding 3 financial years subject to the conditions that;
  - 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;
  - the Board of the company shall pass a resolution to that effect.

**Process to be followed for expenditure:**

- The CSR Committee shall determine and recommend the amount to be spent to the Board.
- Upon approval by the Board of Directors of the amount to be spent for the financial year, the amount shall become available for actual spending. In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.
- The CSR projects or programs or activities undertaken in India only shall amount to

CSR expenditure.

- Approving authority for the CSR amount to be spent would be any one Director or the Managing Director or VP (Finance)/Chief Financial Officer of the Company after due recommendation of CSR Committee and approval of the Board of Directors of the Company.
- Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

Certification by CFO:

Further, it is the responsibility of the Board of the Company to monitor the implementation of ongoing projects and to ensure that the funds are utilized for approved purpose and shall be certified by the Chief Financial Officer (CFO) or Person in charge of finance.

## **10. INFORMATION DISSEMINATION**

The Company's engagement in this domain is disseminated on its website, annual reports and its house journals as and when deem fit.

## **11. DISCLOSURE REQUIREMENTS:**

The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

Further, the Board shall also ensure to place the CSR Policy as approved by it on the Company's website.

## **12. UPDATE**

CSR Committee will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.