

UTI ASSET MANAGEMENT COMPANY LIMITED

POLICY ON

CORPORATE SOCIAL RESPONSIBILITY

Preface

The Board of Directors of UTI Asset Management Company Limited (“**UTI AMC/ the Company**”) at their meeting held on 23rd October, 2013 constituted the Corporate Social Responsibility (“**CSR**”) Committee and amended the existing CSR Policy of the Company in accordance with the provisions of the Companies Act, 2013 (“**the Act**”).

In accordance with the vision of the Company, its CSR Initiatives will supplement its contribution in environment protection, development of healthy and enlightened citizens, social upliftment and sustainable community development through its service, conduct & social initiatives.

The CSR Policy of the Company sets out (a) Framework guiding the Company’s CSR activities, and

(b) Rules that need to be adhered to while taking up and implementing CSR activities.

1. Introduction:

- 1.1 Business corporations constantly strives to maximize shareholders wealth. However, there is a shift in the shareholders mindset led by social expectations is causing business leaders to revise their business strategy in terms of economic impact, social impact and environmental impact - the **Triple Bottom Line**.
- 1.2 The Company gives utmost importance to CSR Initiatives in order to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders.
- 1.3 The Company is committed in ensuring that its business is conducted according to rigorous ethical, professional and legal standards. The Company recognizes that its business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders. The responsibility for its performance to this policy rests with all employees throughout the company.

2. Operating Framework:

- 2.1 The Company believes in the philosophy of compassionate care, generosity and compassion, characterised by a willingness to build a society that works for everyone.
- 2.2 The Company shall identify the CSR activities/projects to be undertaken in any part of India, in any of the areas or subjects listed in Schedule VII of the Act or circular(s)/notification(s) (including any amendments thereto). (Indicative list of the activities specified under Schedule VII of the Companies Act, 2013 is annexed at “**Annexure A**”).
- 2.3 The items enlisted in the Schedule VII of the Act, are broad-based and are intended to cover a wide range of activities. The entries in Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said schedule.

- 2.4 While selecting any activity / project under CSR Initiatives, it must be ensured that the benefits reach the targeted beneficiaries.
- 2.5 The long-term CSR projects should match with the long term business plan of the Company. Each of these projects shall clearly specify:
- (i) Requirements relating to baseline survey;
 - (ii) Activities to be undertaken;
 - (iii) Budgets allocated;
 - (iv) Time-lines prescribed;
 - (v) Responsibilities and authorities defined; and
 - (vi) Major results expected.
- 2.6 Activities undertaken by Company may be implemented directly by the Company as well as by specialised agencies. Such agencies and projects shall be supported after ascertaining the credibility of the agency and its track record in implementing projects. The entity shall generally have a consistent track record in implementing such projects.
- 2.7 The Company may collaborate with other companies for undertaking the CSR projects/programmes subject to fulfilment of separate reporting requirements as prescribed in the Rules.
- 2.8 The responsibility for implementation of identified activities/ projects shall be as per the organizational structure approved by the Managing Director or CEO.
- 2.9 Funds may be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.

3. Terms of Reference of CSR Committee:

- 3.1 The CSR Committee is the governing body that will define the scope of CSR activities for Company and ensure compliance with the Policy. The CSR Committee shall be comprised of three or more Directors including at least one Independent Director.

The CSR Committee shall:

- (i) Monitor and Review CSR Policy and recommend to the Board of Directors any amendments thereto;
- (ii) Indicate the CSR activities to be undertaken by the Company as specified in the Act;

- (iii) Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- (iv) To explain to the Board of Directors of the Company, if the Company fails to spend the prescribed amount within the financial year;
- (v) Monitor the CSR activities and compliance with the CSR policy from time to time;
- (vi) To approve any project that may come during the year in accordance with the policy; and
- (vii) Review and implement, if required, any matter related to CSR initiatives.

The Board shall:

- i. 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; and
- ii. ensure that the activities as are included in CSR Policy of the company are undertaken by the company.

4. CSR Expenditure

- 4.1 All expenditure including contribution to corpus, for projects or programmes relating to CSR activities approved by the Board based on the recommendation of the CSR Committee shall be considered as CSR expenditure, but shall not include any expenditure on an item not in conformity or not in line with activities, in areas or subject, which fall within the purview of the Schedule VII of the Act.
- 4.2 The amount to be spent on CSR activities, every year, shall be calculated in accordance with the provisions of the Act and Rules made thereunder.
- 4.3 Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profit of the Company. Further any excess amount spent on CSR Activities shall not be carried forward to the subsequent years and adjusted against that year's CSR Expenditure.

5. Implementation:

- 5.1 CSR initiatives of the company shall consider the following parameters for identification/selection of schemes/projects:
 - (i) Sustainability – Natural Environment, Economic viability, benefit to the community, etc.
 - (ii) Investment in CSR shall be project-based.
 - (iii) CSR activities should generate community goodwill, create social impact and visibility.

- (iv) For every project, the time-frame and periodic milestones shall be finalized at the outset.
- (v) CSR activities shall help in building a positive image of the Company in the public perception.
- (vi) CSR projects may be closely linked with the principles of Sustainable Development.
- (vii) Local areas & areas around it where the Company conducts business activities.
- (viii) Co-ordination with the Government may be made wherever necessary.

5.2 Project activities identified under CSR may be implemented through **Specialized Agencies**.

Such specialized agencies could include:-

- (i) Elected local bodies such as panchayats, municipal corporations etc.;
- (ii) Voluntary Agencies (NGOs);
- (iii) Institutes, Academic Organizations;
- (iv) Philanthropic Trusts, Societies;
- (v) Self-help Groups;
- (vi) Government, Semi-Government and autonomous Organizations;
- (vii) Standing Conference of Public Enterprises (“SCOPE”);
- (viii) Mahila mandals, samitis and the like;
- (ix) Professional Consultancy Organizations, etc.

5.3 While assigning CSR projects to specialized agencies, every possible effort shall be made to verify the reliability and track record of such agencies.

5.4 Implementation of CSR may be ensured through a Memorandum of Understanding (“MOU”) or agreement with the concerned agencies.

5.5 The Company shall generate awareness among its staff about the CSR activities and the integration of social processes with business processes. Those involved with the undertaking of CSR activities shall be provided with adequate training and re-orientation programs.

5.6 Initiatives of the state governments, district administration, local administration as well as central government departments agencies, self-help groups, etc. may be followed wherever deemed fit.

6. Activities to be avoided under CSR:

While undertaking CSR activities, the following activities should not be considered under CSR:

- (i) Political funding,
- (ii) Funding for activities associated with any religious practices,
- (iii) Activities/business involving child labour,
- (iv) Activities/ business against environmental interest,
- (v) Activities indulging in cruelty against animals,
- (vi) Activities undertaken by unauthorized associations and institutions,
- (vii) Expenses on employees and their families,
- (viii) Expenses in pursuance of normal course of business,
- (ix) One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorship of TV programmes, etc, and
- (x) The project or programmes or activities undertaken outside India.

7. Disclosure

7.1 Company shall include in its annual report, commencing with the annual report for the year ending March 31, 2020, the following information on CSR:

- (i) A description of contents of the CSR policy along with a reference to the web-link to the CSR policy and programs or projects;
- (ii) An overview of the CSR activities;
- (iii) The composition of the CSR Committee;
- (iv) Average net profit for the preceding three financial years;
- (v) Prescribed CSR expenditure;
- (vi) Details of amount spent in the prescribed format;
- (vii) Amount unspent, if any, and reasons for not spending the amount; and
- (viii) Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy.
- (ix) Such other matters as may be specified from time to time for inclusion in the annual report.

- 7.2 The above information shall also be displayed on the Company's website. The Board shall discuss and review the implementation of the CSR activities in its meetings, at least twice a year.
- 7.3 Details of the CSR projects completed or under implementation shall be included in the Annual Report of the Company.

8. Amendment(s)

- 8.1 This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Listing Regulations or as may be otherwise prescribed by the CSR Committee or Board from time to time.
- 5.2 The CSR Committee may monitor and review the Policy and recommend the necessary changes to the Board for its approval.
- 5.3 The Policy shall be effective from the date of approval of Board, unless specified otherwise.

Annexure A - Indicative list of the activities specified under Schedule VII of the Companies Act, 2013.

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care 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, 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 for 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 art 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) 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 Electronics and Information Technology) 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.