



CORPORATE SOCIAL RESPONSIBILITY POLICY



U K B ELECTRONICS PRIVATE LIMITED

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U K B ELECTRONICS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

[IN TERMS OF SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH CORPORATE SOCIAL RESPONSIBILITY POLICY RULES, 2014]

1. INTRODUCTION

U K B Electronics Private Limited is flagship Company of U K B Group and it is the leading manufacturer of electrical and electronic products, supplying its products to all leading White goods manufacturing. The Company has manufacturing plants located in Noida, Pune, Goa and Chennai. From the time of inception in 2004, U K B Electronics has remarkably outpaced its rivals by proffering top-grade electronic products throughout the world.

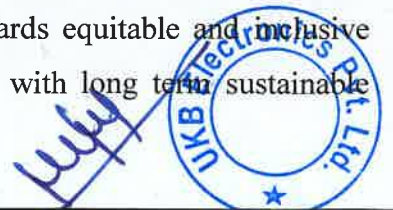
This Corporate Social Responsibility Policy ("the CSR Policy") has been framed by U K B Electronics Private Limited (the Company) in accordance with the Section 135, Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") including any amendment or re-enactment thereto from time to time.

The Policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. This policy shall apply to all CSR initiatives and activities taken up by the company for the economic and social development of the society.

Unless the context otherwise requires, the definitions mentioned in the Section 135 of the Companies Act and CSR Rules shall apply.

2. VISION STATEMENT & CSR PHILOSOPHY

U K B Electronics Private Limited's Corporate Social Responsibility (CSR) policy refers to its commitment as an organization beyond the core business objectives. As a socially responsible and ethical participant in its contribution towards equitable and inclusive growth, the company envisages on creating shared value with long term sustainable



development vision for the larger communities through strategic social investment and employee volunteering engagement programmes. These activities reach out to integrate social value creation with the business goals that fosters sustainable benefits for all its stakeholders.

3. OBJECTIVES

The objectives of the CSR Policy are to:

- Increasingly contribute to activities that are beneficial to the society and community at large.
- Chart out a mechanism for undertaking CSR activities.
- Engage with the Company's key stakeholders in matters related to CSR activities.
- Align the CSR activities undertaken by the Company with the applicable laws.

4. CSR COMMITTEE

In compliance with the requirements of Section 135 (1) of the Act, the Company shall at all times have a CSR Committee duly constituted by the Board comprising of two or more directors.

4.1 TERMS OF REFERENCE OF THE CSR COMMITTEE

The CSR Committee shall be responsible to the Board for—

- (i) Formulating the CSR Policy and proposing revisions as and when required subject to the approval of the Board of Directors;
- (ii) Recommending CSR projects in appropriation with the thematic areas in pursuance and as specified in Schedule VII and investments to be incurred thereof;
- (iii) Identifying and recommending CSR project life cycle management process including identification and recommendation of appropriate implementation agency, as applicable;

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- (iv) Institutionalizing transparent and effective monitoring mechanism;
- (v) Monitor progress of the CSR projects on a regular basis;
- (vi) Identify the need and review outcomes of such impact assessment studies;
- (vii) Formulate, recommend and modify/ alter whenever necessary, the Annual Action Plan;
- (viii) Report to the Board, the status of CSR activities and contributions made etc.; and
- (ix) Any other activity(ies)/functions, as may be assigned by the Board.

5. CSR IMPLEMENTATION

The Board, through the CSR Committee shall ensure that the CSR activities shall be undertaken/ executed/ implemented either by the Company itself and/ 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) In the event, the Company implements its Corporate Social Responsibilities activities through any other trust(s), society(ies), company(ies) that is not established by the Company/ its holding company/ subsidiary(ies)/ associate(s), such trust(s), society(ies), company(ies) shall have (a) registration under Section 12A and 80G of the Income-tax Act, 1961; and (b) an established track record of at least three years in undertaking similar activities and the Company will clearly specify the projects or programmes to be undertaken through these entities, the modalities of utilization of funds on such projects and programmes and the monitoring and reporting mechanism along with clear impact creation from such activities over a timeline.



6. CSR ALLOCATION

The CSR Allocation for a financial year shall include – (a) at least 2% of the average Net Profits of the Company made during three immediately preceding financial years; (b) any income arising there from; (c) surplus arising out of Corporate Social Responsibilities activities; and (d) any contribution specifically received for Corporate Social Responsibilities activities. Further, it is clarified that any surplus arising out of Corporate Social Responsibilities activities shall not form part of the business profits.

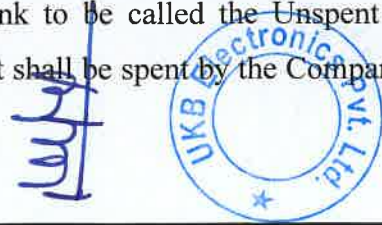
The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by (a) a company established under Section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under the Rule; or (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or (c) a public authority.

In case, the Company spends an amount in excess of requirement provided Section 135(5) of the Act, such excess amount may be set-off against the requirement to spend Section 135(5) of the Act up to an immediate succeeding three financial years provided the Board approves the set-off by passing a resolution to that effect. The surplus arising out of the CSR activities shall not be available for set-off.

In case, the Company fails to spend the prescribed CSR amount in any financial year, the Board shall, in its report under Section 134(3)(o), specify the reasons for not spending the amount. Further the Board shall also identify as to unspent amount relates to Ongoing Project or otherwise.

The unspent amount relating to any Project other than Ongoing Project shall be transferred to such Fund as may be specified in Schedule VII to the Act and recommended by the Board, within a period of six months of the expiry of the respective financial year.

The unspent amount relating to any Ongoing Project shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of



its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Until a fund is specified in Schedule VII, the unspent CSR amount, if any, shall be transferred by the Company to any fund included in Schedule VII to the Act.

7. CSR BUDGET

The overall amount to be committed towards CSR will be approved by the Board upon the recommendation of the CSR Committee.

8. CSR ACTIVITIES

a) Owing to its long tradition the Company is cognizant of being a socially responsible entity. The Company has been, and will continue to engage in endeavors that strategically consolidate and strengthen its CSR initiatives that act as change enablers for myriad local and national social, ecological and economic related development concerns and challenges. The CSR projects are broadly categorized under 5 thematic areas as:

1. Education
2. Health
3. Women Empowerment
4. Environment
5. Community Development
6. Water

b) The Company will undertake its CSR activities in the following areas as specified in Schedule VII. Depending upon the type of CSR activity and its key deliverables the projects would be further categorized under the broad thematic areas aligned with the Sustainable Development Goals as mentioned above:

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- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 setup 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 recognized 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 Caste, 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 including community/ social/ infrastructure creation intended for the general well-being of society at large, and
- xi. Slum area development.

c) **Beneficiaries:**

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The beneficiaries of the Company's CSR programs may be the following categories of people:

- Senior Citizen
- Children / students
- Women
- Weaker sections of the society
- Others – society at large

9. CSR ACTION PLAN

a) **Annual Action Plan:** The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan. The Board may alter the Annual Action Plan at any time during a financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect. Annual Action Plan shall include the following:

- i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act;
- ii. the manner of execution of such projects or programmes as specified in the Rules;
- iii. the modalities of utilization of funds and implementation schedules for the projects or programmes;
- iv. monitoring and reporting mechanism for the projects or programmes; and
- v. details of need and impact assessment, if any, for the projects undertaken by the Company.

b) **Undertaking CSR activities in Project Mode:** The CSR activities identified by the CSR Committee and approved by the Board shall be implemented in a project mode either directly or through implementing agency(ies), which will entail charting the stages of execution through planned processes, measurable targets, mobilization and allocation of budgets, prescribed timelines and relevant exit strategies. It also involves assigning of responsibility and accountability. Suitable documents/ agreements, if required, shall be entered into with the key stakeholders / implementing agencies for the purposes of implementation and long-term sustainability of the CSR projects. The



conditions of grant of amounts for all CSR activities and the break-up of the allocations shall be set-out and evaluated from time to time.

- c) **Engagement of International Organizations:** The Company may engage international organisations for designing, monitoring and evaluation of the CSR activities as per the CSR policy as well as for capacity building of its own personnel for CSR.
- d) **Administrative Overheads:** The Board shall ensure that the Administrative Overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.

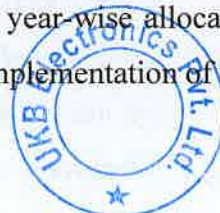
10. MONITORING & EVALUATION FRAMEWORK

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the CSR activities proposed to be undertaken by the Company.

The CSR Committee will ensure that the CSR activities are undertaken in compliance with this CSR Policy and in a project or programme mode with clearly defined project deliverables, implementation schedules, processes and budgets as given in the Annual Action Plan.

The CSR Committee will monitor the projects and programmes to ensure that they are being carried out in compliance with this CSR Policy and the Act. The CSR Committee shall also apprise to the Board of Directors about the progress of CSR project/ programmes/ activities including expenditure incurred by the implementing agency(ies) till the allocated budget is fully utilized.

In case of the Ongoing Project(s), the Board 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.



The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

11. ROLE OF THE IMPLEMENTING AGENCIES

The implementing agencies shall be responsible for:

- (i) Determining the modalities of execution including targets and timelines;
- (ii) Ensuring that implementation of all CSR activities is being carried on in accordance with the above;
- (iii) Implementing the CSR activities and ensuring that such activities are undertaken in compliance with this CSR Policy with clearly defined project deliverables,
- (iv) implementation schedules, processes, budgets and relevant exit strategies;
- (v) Undertaking monitoring and evaluation of the CSR activities, as may be required;
- (vi) Maintaining documents and accounts pertaining to all CSR activities of the Company;
- (vii) Submit annual reports and all other due diligence documentations for the CSR activities for impact assessment and also for preparation of the annual report on CSR.

12. CAPACITY BUILDING

The Company may build CSR capacities by providing suitable training to its own personnel as well as those of implementing agencies through recognized institutions.

13. IMPACT ASSESMENT

In case, the Company has average CSR obligation of Rupees ten crore or more in pursuance of Section 135(5) of the Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of Rupees one crore or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.



14. DISCLOSURES

The CSR Committee shall prepare an annual report on CSR, in the format prescribed under the Act and such report shall be included in the Board's report annexed to the financial statements. The report shall be signed by the Chairman of the CSR Committee and Managing Director/Director of the Company.

The Company shall host the contents of the CSR Policy on its website, if any, in such manner as may be prescribed.

15. AMENDMENTS

The CSR Committee is empowered to recommend amendments or modifications to the CSR Policy including Annual Action Plan and such changes shall be placed before the Board for approval. Where the CSR Policy including Annual Action Plan is in variance with the requirements of the Act, the provisions of the Act shall prevail.

16. GENERAL

In case of any doubt with regard to any provisions of the CSR Policy and also in respect of matters not covered herein, a reference to be made to the CSR Committee or to the Chairman of the CSR Committee. In all such matters, the interpretation and decision of the Chairman of the CSR Committee shall be final.



A handwritten signature in blue ink, appearing to be "S. K. Sharma".

A handwritten signature in blue ink, appearing to be "Rajesh".