



**UNITED INDIA INSURANCE COMPANY LIMITED
HEAD OFFICE NO 19, IV LANE, NUNGAMBAKKAM HIGH ROAD
NUNGAMBAKKAM, CHENNAI – 600 034.**

UIIC - CORPORATE SOCIAL RESPONSIBILITY POLICY

Background

United India wishes to be a trusted brand admired by all stakeholders and an insurer with global footprints. Within the Country, the Company has realized that the sustainable growth could be achieved only through serving its population who live in the hinterlands deprived of the benefit of insurance, especially non-life insurance. Insurance has been seen as an investment activity considering the tax benefits provided for life insurance. Insurance is an economic activity providing the necessary compensation at the distress hour to those engaged in economic activities and pursue their business or profession without much difficulty.

Even though non-life insurance itself is doing good to the economy by compensating the insured for the loss suffered and property lost, and in itself treated as a Social Responsibility, insurance companies have realized the requirement to reach out to the population in the remote corners of the Country in order to extend the benefits of the non-life insurance to the population that remained deprived for years. Further, the insurance companies too realized the importance of serving the population through State and Central sponsored Insurance schemes like Pradhan Mantri Suraksha Bima Yojana(PMSBY), Micro insurance, etc.

Companies Act 2013

The above activities were undertaken by the Company on its own in enhancing the standard of living of the rural and the population that was deprived of the benefits of the insurance. The Companies Act 2013 has now mandated that companies should spend a certain amount on specified CSR activities every year and report to the Board. Section 135 of the Companies Act 2013 provides the broad framework for CSR activities, and has been laid down in the Rules subsequently released by the Ministry of Corporate Affairs.



Applicability:

CSR as per the rules will be applicable if any one of the following conditions is satisfied by the Company.

- a. Turnover of Rs.1000 crores
- b. Net worth of Rs.500 crores
- c. Net Profit of Rs.5 crores

Prerequisites of the CSR Policy:

1. The CSR Policy shall include:
 - a. A list of CSR projects or programs which the Company plans to undertake falling within the purview of Schedule VII of the Act, specifying the modalities of execution of such projects or programs and implementation schedules for the same and
 - b. Monitoring process of such projects or programs.
2. The CSR policy of the Company shall specify that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
3. A statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

CSR Projects and Programs:

1. CSR activities as Projects, Programs or Activities:

- The CSR activities shall be undertaken by the Company, as per its stated CSR policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.



2. Formation of Trusts or a Registered Society or Company:

- The Board of a Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered Trust or a registered Society or a Company established by the Company or its holding or subsidiary or associate Company under section 8 of the Act or otherwise:

Provided that –

- Track record of such entities:** If such trust, society or Company is not established by the Company or its holding or subsidiary or associate Company, it shall have an established track record of three years in undertaking similar programs or projects.
- Monitoring and Reporting:** A Company has specified the modalities of utilization of funds on such projects and programs and the monitoring and the reporting mechanism for the project or programs to be undertaken through these entities.

3. Collaboration with other entities:

- The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the rules.

4. Projects or Programs in India only are eligible:

- Subject to the provisions of section 135(5) of the Act, and the relevant rules and schedules, made thereunder, including any amendment from time to time, the CSR projects, programs, or activities undertaken in India only shall amount to CSR Expenditure.

5. Building capacities for implementation:

- Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.



CSR Committee:

As per section 135(1) of the Companies Act 2013, Companies falling under the purview of section 135 shall constitute a CSR Committee of the Board consisting of three or more directors including at least one director shall be an independent director.

The Committee shall identify and recommend any CSR project to the board, formulate the CSR policy and recommend to the Board, any amendments thereto, indicate the activities to be undertaken by the company as specified in the Act. The committee shall meet a least once every quarter in every financial year.

Board of Directors:

The Board of Directors shall approve the CSR policy based on the recommendation of the CSR Committee; approve the CSR activities, annual CSR plan and CSR Budget based on the recommendation of the CSR Committee and review the CSR policy and CSR activities.

CSR Expenditure:

- As per Rule 7 of the CSR Rules, CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its 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.
- As per section 135 of the Companies Act, at least two percent of the average net profit of the Company made during the three immediately preceding financial years has to be spent on CSR activities. Computation of net profit for section 135 is as per section 198 of the Companies Act, 2013 that primarily is NET PROFIT BEFORE TAX.
- As per Rule 2(f)(ii) of **CSR Amended Rules, 2021**, the dividends received from the companies complying with CSR can be reduced from the net profits for calculating the CSR corpus. Our Company will follow the same rule and strive to ensure that the amount is spent on the welfare of the people.
- As per the Amended rules, 2021, the Board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the financial year.



- The maximum amount that may be booked towards CSR, for expenditure undertaken on Impact assessment is five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

Surplus arising out of CSR Activities:

- Any surplus arising out of the CSR activities shall not form part of the business profit of the company.
- Shall be reinvested into the same project,
- Shall be transferred to the Unspent CSR amount and spent in the pursuance of CSR policy and annual action plan of the company or
- Transfer such surplus amount to a fund specified in Schedule VII with in a period of six months of the expiry of the financial year.

CSR Policy of the Company:

The projects under CSR will be selected by the Company with focus on providing enduring and lasting benefits to the society, raising the standard of living of the people by enabling them with life enhancement skills, making the projects sustainable and monitoring the projects. Accordingly, the Company may adopt any of the following methods for deploying the funds:

- 1. Own Project office/Department:** It may form its own project offices and take up projects on its own under a separate department carved out for the purpose and implement it on its own. However, the amount would be spent on those projects as would broadly fall within the provisions of the Schedule VII of the Companies Act 2013 read with the clarifications issued by MCA from time to time.
- 2. Selection of Implementing Agency:** It may select NGOs, or other trusts that are in the field of CSR and have a rigorous process for implementing certain CSR activities which will fall within those prescribed in Schedule VII of the Companies Act 2013. While selecting such implementing agencies (NGOs or Trusts) the following parameters would be considered.
 - a. Such NGOs should have proven record of three years of having implemented the projects as mentioned in Schedule VII. **or**
 - b. They should demonstrate ability for implementing such projects mentioned in Schedule VII.
 - c. Selection of projects is at the sole discretion of the Company.



- d. The NGO should not have any outstanding litigation pending against it or any regulatory warnings or actions during the last three years' period.
- e. The credentials of the persons who run the NGO or Trust should be provided to the Company for appraisal and to do back ground check.
- f. NGOs and Trusts as selected by Public Sector Banks, Insurance Companies, LIC or other PSU Enterprises would be given priority.
- g. The selection shall be further subject to the approval of the CSR Committee of the Company.
- h. The total management expenses incurred by the NGO for its administrative purposes should not exceed twenty percent of the total corpus of the NGO.
- i. To establish the credentials of the implementing agency, copies of one or more of the following documents should be provided to the company:
 - i. AOA/MOA/Trust Deed
 - ii. Pan card
 - iii. Last 3 years audited balance sheet
 - iv. 80G certificate
 - v. Directors Profile
 - vi. Organization Profile
 - vii. Awards and achievements
 - viii. Corporate Partnership details
 - ix. FCRA Registration.

The above list is only indicative and not exhaustive.”

3. Projects of primary focus areas for CSR activities:

- The Company shall strive to undertake projects in the following sectors to help the deserving communities:
 - a. Education
 - b. Rural Infrastructure Development
 - c. School Infrastructure Development
 - d. Environmental Protection
 - e. Health and Preventive healthcare
 - f. Women empowerment programs
 - g. Sports Development
 - h. Livelihood program/Skill development program



- i. Malnutrition
- j. Water conservation
- k. Swachh Bharat Abhiyan
- l. Disaster management, including relief, rehabilitation and reconstruction activities.
- m. Contribution to Prime Minister's National relief fund or Prime minister's citizen assistance and relief in emergency situations Fund (PM CARES fund)
- n. Any other activity within the scope of Schedule VII of Companies Act, 2013.

Activities not included in the CSR policy:

1. Projects or programs for the benefit of employees not eligible:

The CSR projects, programs, or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

2. Contribution to Political Parties not eligible:

Any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR activity.

3. Surplus out of CSR Projects not part of Business Profits:

The Rules prescribe that the surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the company.

4. Procedure for implementation:

- CSR activities will be undertaken in areas identifies by the CSR committee based on the Board approved annual action plan.
- Such activities undertaken may be implemented directly or indirectly through the permitted entities under Rule 4(1) of the company's CSR rules, 2014.
- It can also collaborate with other companies for undertaking projects or programs or CSR activities.



5. Annual Plan:

- The prescribed outline on CSR as per the ACT and rules as amended from time to time
- Key CSR activities proposed to be undertaken during the year
- Expenditure details on administrative overheads.
- Implementation schedules for the projects or programmers
- Details of need and impact assessment for the projects undertaken by the company
- Activities to be undertaken by the company directly.
- Funds to be disbursed as one-time payment or otherwise based on the nature and requirement of the CSR projects or program.

Monitoring the CSR activities of the Company:

- The CSR Committee to ensure a transparent monitoring mechanism for CSR Activities.
- The chief Financial Officer shall be responsible for monitoring expenses on CSR activities on a quarterly basis.
- The progress of the CSR activities shall be reviewed at least twice a year, including the annual review by the CSR committee.
- CSR committee and Board shall monitor the CSR expenses on quarterly basis
- The Board of Directors shall review the progress of the CSR activities at least annually.
- In case of ongoing projects, the Board of the company shall monitor the implementation of the project with reference to the approved timeline and year-wise allocation.
- Impact Assessment: A: Projects having outlay of Rupees One Crore or more and which have been completed in financial year proceeding the immediate financial year shall be subject to an Impact Assessment by an independent agency.
- The report of the Impact Assessment shall be placed before the Board and also annexed to the CSR project.



- Impact Assessment as per rule 8(3) of Company's (CSR) Rules 2014, as under as and when applicable, would be complied by the company:
 - Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of Section 135 of the Act, in the three immediately preceding Financial years, shall undertake impact assessment through an Independent Agency, of their CSR Projects having outlays of one crore rupees 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.
 - A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

 - **Quarterly reports and Compliance:** The department is responsible for submitting quarterly statements to the CSR Committee as well as for filing the returns with the MCA periodically and report to the Board compliance in this respect through the Company Secretary.

 - **Annual Reports:** The department shall also be responsible to report the activities in the Annual Report under an exclusive heading.

 - **Explanation for non-compliance:** The department shall also explain in cases where the required amount is not spent in selected projects or the Company could not select any projects for implementation.

 - **Accounting of expenditure:** The department shall be responsible for ensuring that all bills are properly maintained by the respective Regions as provided in the extant rules in this respect. The department shall render details to the CSR Committee atleast twice a year taking into account the surplus for the year and fix the amount of CSR corpus appropriately.
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**Disclosure:**

- The Board of Directors report of the Company shall include an annual report on CSR, containing particulars specified in Annexure II of the Company's (CSR) Rules, 2014 as amended from time to time.

Display on the Website:

- The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their websites, if any, for public access.
- The above financial authority shall form part of the Financial Standing Order of the Company and incorporated therein.