



# Cyient DLM Limited

## Corporate Social Responsibility Policy

Cyient DLM Limited

**Mysore Office:**  
Plot no.347, D1 &2, KIADB  
Electronics City, Hebbal Industrial  
Area, Mysore 570 016,  
Karnataka, India

**Regd Off:**  
3<sup>rd</sup> Floor Plot No.11  
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**Policy Information:**

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## 1. Introduction

Cyient DLM believes in giving back to society in a measure that is proportionate to its success in business. This Policy encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the welfare and sustainable development of the community at large.

The Policy and the operational guidelines issued herein are subject to and pursuant to the provisions of the CA 2013 and the rules and regulations made thereunder.

This Policy is effective from 27 December 2022.

## 2. Objective

The Company will endeavour to enhance value creation in society and in the wider community, through its services, conduct and initiatives, so as to promote sustained growth, in fulfilment of its role as a socially responsible corporate.

In view of this, the Company's CSR agenda aims to extend beyond charity and enhance social impact.

The Company's CSR vision is:

- To help underprivileged children access quality education
- To participate in projects with business aligned innovation

The Company's CSR mission focuses on:

Achieving long-term, holistic development of the community around us by being committed to create and support programs that bring about sustainable changes through education, environment, and healthcare systems.

## 3. Applicability

This Policy will apply to all projects/ programmes/ activities undertaken as part the Company's CSR obligations and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices.

The Policy would be aligned with the activities listed in Schedule VII and Section 135 of CA 2013 and the Rules framed there under.

## 4. Definitions

4.1 **"Administrative overheads"** means the expenses incurred by the Company for 'general management and administration' of the CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.

4.2 **"Board"** means Board of Directors of the Company, as constituted from time to time.

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- 4.3 “CA 2013” or “Act” means the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- 4.4 “Company” or “Cyient DLM” means Cyient DLM Limited.
- 4.5 “CSR” or “Corporate Social Responsibility” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of CA 2013 in accordance with the provisions contained in the Rules, but shall not include the following, namely:
- i. activities undertaken in pursuance of normal course of business of the Company.
  - ii. any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
  - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act.
  - iv. activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).
  - v. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.
  - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- 4.6 “Committee” or “CSR Committee” means the Corporate Social Responsibility Committee constituted by the Board of the Company from time to time as per the provisions of CA 2013.
- 4.7 “Implementing Agency” refers to any of the following entities that have registered with the Central Government by filing eForm CSR-1 and have such other qualifications as may be prescribed in this regard and assist the Company, in undertaking its CSR activities:
- i. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
  - ii. 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
  - iii. any entity established under an Act of Parliament or a State legislature; or
  - iv. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- 4.8 “Net profit” means the “profit/(loss) before tax” as per the 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.
- 4.9 “Ongoing Project” means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year

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project but whose duration has been extended beyond one year by the Board based on reasonable justification.

- 4.10 **“Policy”** means this CSR Policy and is a statement containing the approach and direction given by the Board of the 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.
- 4.11 **“Rules”** refers to the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any statutory amendments thereof.
- 4.12 **“Schedule VII”** refers to Schedule VII of CA 2013.

Capitalised terms used in this Policy and not defined above shall have the same meaning as assigned to them under the CA 2013 or any other applicable law or guidelines.

## 5. Board Role

The Board of Cyient DLM will be responsible to:

- i. constitute a CSR Committee in accordance with the Act;
- ii. approve the annual action plan and amendments thereto (including annual budget);
- iii. approve the CSR Policy and amendments thereto from time to time;
- iv. approve projects / Implementing Agencies to be partnered or associated with;
- v. approve Ongoing projects and re-classification of projects as ongoing projects, if necessary;
- vi. ensure that the funds disbursed for the CSR projects as part of the Company’s obligation for each financial year have been utilised for the purpose and in the manner allocated and approved by it, before the end of the financial year;
- vii. ensure that the administrative overheads do not exceed 5 (five) percent of total CSR expenditure of the Company for the financial year or such other limit as may be prescribed under the Act;
- viii. monitor the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation;
- ix. ensuring that preference is given to the local area and areas around where the Company operates, for spending the amount allocated for CSR activities;
- x. suggest modifications, if required, for smooth implementation of the CSR projects within the overall permissible time period under the Act
- xi. make necessary disclosures in the CSR Annual Report and the website as prescribed in the Act.

The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the Company.

## 6. CSR Committee Role

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The CSR Committee at Board level shall consist of 3 (three) or more directors, out of which one director shall be an Independent Director. The said Committee may constitute a Sub Committee for identifying projects and spending towards CSR activities.

The Committee shall oversee the operations of the Sub Committee and shall also recommend to the Board the amount of expenditure to be incurred on CSR activities.

The roles and responsibilities of CSR Committee are as follows:

- i. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- ii. /Recommend the amount of expenditure to be incurred on CSR activities and monitor the same.
- iii. Monitor the Policy of the Company from time to time.
- iv. Approve and adopt the CSR report for publication in the annual report of the Company.
- v. Do such other things and acts as may be required for the implementation of the Policy, matters connected therewith or incidental thereto as per the Charter finalized by the Board.

The Company Secretary shall act as secretary to the Committee.

## 7. Formulation of Annual Action Plan

The Committee shall formulate the annual action plan, for each financial year and recommend the same to the Board. The Committee and the Board shall adhere to the following guidelines while formulating/approving the annual action plan for each financial year:

- i. *Evaluation of CSR activities of the preceding financial year:* The achievements and drawbacks of the CSR projects/ activities undertaken in the previous financial year shall be considered and the annual action plan shall be prepared accordingly.
- ii. *Identifying projects/activities for the current financial year:* The Committee will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the organisation.
- iii. The Committee shall endeavor to formulate and approve the annual action plan and recommend it for the Board's approval before the end of the first quarter in every financial year.
- iv. The Committee shall include a description of the identified activities and the sequence in which they will be undertaken by taking into consideration organizational readiness, strategies, financial and procurement management, etc., disbursement and utilization plans for the unspent amounts from previous years during the current financial year and disbursement and utilization plan for funds for the relevant (concerned) financial year.
- v. Any amendment to the annual action plan shall be recommended by the Committee and approved by the Board.

## 8. Funding and Allocation

- i. For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, Cyient DLM will allocate 2% of its previous three years' average net profit computed in accordance with the provisions of the Act, as its Annual CSR Budget.
- ii. The Company may undertake CSR activities directly or through registered Implementing Agencies or contribute to a Schedule VII Fund.
- iii. The Company may also contribute the CSR obligation to the Cyient Foundation, a registered Foundation of the Cyient group. which will implement CSR projects as per Schedule VII of the Act

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on behalf of the Company.

- iv. CSR related disbursements by the Company will be treated as spent during the financial year, only if the same have, in turn, been spent by the Company's Implementing Agency or step-down Implementing Agency, if any.
- v. Where the Company spends an amount in excess of its CSR obligation under the Act, subject to passing of the Board resolution, such excess amount can be set-off against the CSR spends up to immediate succeeding 3 (three) financial years.
- vi. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company. The Company will not own or hold any capital asset created or acquired during its CSR activities.
- vii. The unspent CSR amount at the end of the financial year shall be transferred to an Unspent CSR account/ Schedule VII Fund in accordance with the Act and Rules and in line with the Company's SOP.
- viii. Wherever funds disbursed by the Company remain unspent at the end of the financial year and are lying with the Implementing Agency, the Company may either request the Implementing Agency to return the same directly to its Unspent CSR Account / other bank account OR treat the same as an advance to be utilized by the Implementing Agency, to meet the spend for the next financial year. In the latter case, the Company will separately meet its obligation to transfer the unspent funds either into an Unspent CSR Account or to a prescribed Fund.

## 9. Planning

Identification of the thrust areas and strategic initiatives

For purposes of focusing its CSR efforts in a continued and effective manner, the following thrust areas have been identified:

- i. Primary education, education, and literacy enhancement
- ii. Business aligned healthcare
- iii. Environment protection / horticulture
- iv. Infrastructure development
- v. Drinking water/ sanitation Facilities in schools, particularly for girls
- vi. Scholarships to students/trainees etc.
- vii. Disaster management activities related to natural calamities

The CSR Committee may modify, restrict or enlarge the thrust areas from time to time within the parameters fixed by CA 2013. The actual distribution of expenditure among these Thrust areas will depend upon the local needs as may be determined by the need Identification studies or discussions with local government/bodies/citizen fora/NGOs.

## 10. Monitoring and Reporting Framework

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities.

Where activities are undertaken through Cyient Foundation, the respective heads of Cyient Foundation will

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present their annual budgets and list of programmes, projects and activities to the Committee for its approval. The CSR Committee will, in turn, recommend this to the Cyient DLM Board for its final approval.

In compliance with the Act and to ensure funds spent on CSR programs are creating the desired impact on the ground a comprehensive monitoring and reporting framework will be put in place. The monitoring and reporting mechanisms are divided into three distinct areas:

- i. Program Monitoring
- ii. Evaluation
- iii. Reporting and Documentation

The Chief Financial Officer (CFO)/ Head of Finance Department shall certify that the funds allocated for meeting the CSR obligation of the Company have been administered in the areas or projects as approved by the Board of the Company and in accordance with the Act. Such certification will be based on the utilization report as received from the Implementing Agencies (wherever the CSR projects are being implemented through such agencies) and/or a certificate issued by the Implementing Agencies' Auditor or an independent Chartered Accountant.

The Committee may appoint such professionals, firms, agencies, etc., as it may deem fit, for effective monitoring/ evaluation/ implementation/ designing of the programs and projects of the Company, including appointing an agency that would carry out an impact assessment study of the projects, if so required, under CA 2013 or deemed necessary by the Committee.

## 11. Volunteering

### a. Associates volunteering in CSR initiatives:

Cyient DLM Limited, through Cyient Foundation CSR programs, strives to enhance volunteering culture and community involvement. Its intent is to help solve real problems and enrich communities.

It does this by:

- i. working with volunteers in the Cyient Foundation identified areas of prioritized focus covered in the Policy and improve the diversity and quality of volunteering;
- ii. providing potential volunteers with the means to access volunteering opportunities;
- iii. helping associates who might otherwise have found themselves excluded to take part in volunteering.

Cyient Foundation is committed to involve volunteers to:

- i. form various groups and own initiatives;
- ii. contribute to on-going activities;
- iii. provide perspectives and apply different skills to enrich programs and enhance their impact;
- iv. offer opportunities for associate participation;
- v. undertake social audit and share critical feedback.

This volunteering process will help volunteers to understand various opportunities in our CSR Volunteering Program and avenues to contribute.

In Cyient DLM Limited, CSR volunteering is an individual social responsibility and volunteers are accountable for their commitments.

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Expectations from volunteers:

- i. Volunteers to participate in activity by dedicating their personal time (out of business hours);
- ii. No Monetary contribution from volunteers in executing the activities;
- iii. Stick to the time and present per plan;
- iv. Make sure to work with other members and impact the cause;
- v. Keep Cyient Foundation ethics and values in mind while performing.

Associates interested in becoming volunteers with Cyient Foundation can self-nominate through Cyient DLM website and will be invited for involvement as and when volunteering opportunities arise. Volunteers can spend considerable time on CSR Page to know more information about the organization and specific information on the volunteering they are interested.

There are various activities within Cyient Foundation to fulfil its objectives. Below roles are identified per CSR Policy and associates can look for opportunities within these roles.

Cyient Foundation CSR Executive is a member of the team who:

- i. Plans, communicates and executes activities and shares schedules;
- ii. Provides direction to the overall team to reach set goals;
- iii. Coordinates with other members to derive set benefits;
- iv. Reports monthly progress;
- v. Provides critical feedback to either improve engagement or get away if the purpose is solved;
- vi. Energizes team to continue to engage and provides opportunities to all.

### **CSR Volunteers**

These are a bunch of volunteers who are part of the activity and participate in activity execution.

### **Floating CSR Volunteers**

These are a bunch of volunteers who could join the activity at short notice and contribute quickly.

### **b. CSR Activity Volunteer Teams:**

These are identified to carry on initiatives/activities efficiently. As per Cyient Foundation CSR Policy, each project approved by CSR Committee will be managed by a project group.

### **c. Volunteer's Voice:**

Volunteers will be consulted for taking feedback on the specific activity or program.

### **d. Cyient Foundation CSR Activity Reporting**

CSR teams can ensure activity progress and program details can be made available in the portal.

- i. Make sure to post upcoming events in the portal;
- ii. Track participation attendance of the volunteers regularly and ensure associates/volunteers continue the momentum;
- iii. Update portal immediately after activity with relevant pictures and experiences from volunteers;
- iv. Manage appropriate communication with leadership teams so as to plan business appropriately.

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**e. Support**

Volunteers will be closely working with Cyient Foundation's CSR Executive who will provide regular support. Support sessions will provide the opportunity for ongoing dialogue about the development of the volunteering role and any advice and guidance as needed.

**f. Volunteering and CSR**

The time spent by employees will not be monetized and claimed as CSR by the Company.

## 12. Website Disclosures

This Policy will be uploaded on the website of the Company.

## 13. Review and Amendment

The Board may at any time and based on the recommendation of the CSR Committee, amend this Policy either pursuant to any change in law or otherwise. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy.

## 14. Detailed Version Control Sheet

This section is the control sheet of all the changes that have been carried out in the Policy and shall list the changes done since inception.

Change in version no.	Page no.	Section no.	Erstwhile section	New/Modified section	Reason for change