

HAND BOOK

ON

CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

CIAL INFRASTRUCTURES LIMITED

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INTRODUCTION

Corporate Social Responsibility (CSR) is Company's commitment to its stakeholders for a common social goal that demonstrates its commitments by adoption of appropriate strategies and projects especially to align with the business of the Company in an economically, socially and environmentally sustainable manner.

Stakeholders of CIAL Infrastructures Limited (CIL) include persons directly connected with the activities of CIL, its employees, shareholders, investors, business partners, clients, customers, Government & Non Government organizations, NGOs, local communities and local self governments.

CSR covers a diverse range of issues such as basic infrastructure development, education, community health & sanitation, capacity building, gender empowerment etc. CSR is not just a social obligation to be carried out; but a way of going beyond business as usual and contributing to the society and environment at large. CIL is dedicated to the cause of empowering people, educating them and improving the quality of their lives.

PURPOSE

CIL is committed in identifying and supporting programs aimed at:

- basic infrastructure development, education, sports, community health & sanitation, capacity building, gender empowerment, disaster management activities etc., and also
- reducing negative impact of its operations on the environment

CIL is committed to uphold the highest standards of corporate social responsibility. CIL aims in improving the quality of life of the communities. CIL believes in positively impacting the environment and supporting the communities we operate in, focusing on sustainability of our programs and empowerment of our communities.

This policy will serve as a guiding document to help, identify, execute and monitor CSR initiatives of the Company.

The CSR policy would function as a self–regulating mechanism for CIL’s CSR activities and enable adherence to laws, ethical standards and international practices in this regard.

CSR COMMITTEE

The Corporate Social Responsibility Committee (CSR Committee) is the governing team that will frame the scope of CSR activities of the Company and ensure compliance with the approved CSR Policy.

Pursuant to Section 135 of the Companies Act 2013, a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, **out of which at least one Director shall be an Independent Director.**

The committee will meet as per the requirements. The following shall be the terms of reference of the committee.

- To formulate CSR policy, strategies and goals
- To monitor company's CSR policy and performance
- To review CSR projects / initiatives from time to time
- To ensure legal and regulatory compliance while executing the CSR activities
- To ensure reporting and communication to stake holders on CIL's CSR projects/initiatives

In accordance with the provisions of the Companies Act 2013, the Board of Directors of CIL has constituted a subcommittee of Directors called CSR Committee with the following members:

Sl.No:	Name of Members	Designation
1	Smt.Jolly Thomas	Chairman
2	Ramani A.K.	Member
3	Sri. A. C. K. Nair	Member

ACTIVITIES TO BE UNDERTAKEN UNDER CSR

- a) The activities proposed to be undertaken under CSR shall include all the activities mentioned in Schedule VII under Section 135 (3) (a) of the Companies Act 2013 (Henceforth, the Companies Act 2013 will be referred to as the 'Act 2013') and also any other activities not covered under Schedule VII but included under the Scope of CSR Programs (given in the subsequent pages)
- b) The company will give preference to the stake holders directly impacted by its operation for CSR activities. Though, such stakeholders are generally located in a wide geographical area, CIL will accord priority for CSR activities in the local areas and neighbourhood areas of its operations.
- c) Ongoing CSR programs or activities will qualify as valid CSR activities and will be completed as approved.
- d) The Company will take into account its commitment to its stakeholders while selecting CSR activities, provided such activities qualify as CSR activities under the Act 2013.
- e) Priority will also be accorded for CSR activities in local backward areas as identified by the CSR Committee.
- f) CSR projects / programs / activities undertaken only in India shall amount to CSR expenditure.

However, the following activities will not be considered as CSR activities:

- (i) Activities undertaken in pursuance of normal course of business of the Company.
- (ii) Activities that benefit only to the employees of the Company.
- (iii) Activities taken up under R & D
- (iv) Contribution of any amount directly or indirectly to any Political party.
- (vi) Any activity not approved by the Board or competent authority as decided by the Board

ADMINISTRATIVE SET UP

A) Role of the Board of Directors

1. The Board shall constitute a CSR Committee consisting of three or more Directors out of which at least one Director shall be an Independent Director.
2. Approve the CSR Policy for the Company
3. Disclose the contents of the Company CSR Policy in the Report of the Board Directors.
4. Ensure placing the contents of the CSR Policy on the website of the Company
5. Ensure that the CSR Policy is implemented.
6. Approve the methodology proposed by the CSR Committee for transparent monitoring the progress of implementation of the CSR activities.
7. The Board will decide the periodicity of reporting the progress in implementation of the CSR activities, to the Board.
8. Ensure that the Company spends annually at least two percent of the average net profit made during the three immediately preceding financial years on CSR Policy. [Average Net Profit must be calculated as provided for in Section 198 of the act 2013]
9. Disclose the composition of the CSR Committee in Report of the Board of Directors
10. Disclose about the CSR policy and its implementation in Report of the Board of Directors
11. When the Company fails to spend the specified amount for CSR activities, the Board must specify the reasons for the inability to spend the said sum, in the Report of the Board of Directors.

B) Role of CSR Committee

1. Formulate and recommend CSR Policy to the Board.
2. Indicate the activities to be undertaken by the Company as specified in Schedule VII.
3. Recommend the amount of expenditure to be incurred on the CSR as per provisions of the Act.
4. Approve the projects and programs to be undertaken by the Company in pursuance of the approved CSR policy.
5. The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.

SCOPE OF CSR PROGRAMME

The broad areas of CSR initiatives to be extended by the Company are -

1. Education
2. Irrigation, water supply including drinking water.
3. Health care by providing medical facilities, medicines, ambulances etc.
4. Environment
5. Social empowerment
6. Infrastructure for village electricity / solar light. Recurring expenditure should be borne by the beneficiaries
7. Sports and Culture
8. Generation of employment.
9. Infrastructure support
10. Grant/donation/financial assistance/sponsorship to reputed NGOs of the society/locality doing/involving in upliftment of the standard of the society
11. Relief of victims of natural calamities like earthquake, cyclone, draught and flood situation in any part of the country
12. Disaster management activities including those related to amelioration/mitigation
13. Adoption of village for carrying out the activities like infrastructural development, for eg: Road, water supply, electricity and community centre.
14. Infrastructural development such as Road, water supply, electricity, etc. and also contribution to other benevolent causes in villages/ districts/ taluks/ panchayats where SHEP Projects are undertaken by the company.

DETAILED CSR PROGRAMMES

The detailed areas of CSR programs to be initiated by the Company are -

a) Education

Financial support to –

- Primary, Middle, Higher Secondary schools and Technical / Vocational Institutes for their self development.
- Academic education to Primary, Middle and Higher Secondary schools.
- Awareness programs on girls' education.
- Adult literacy programs especially among those belonging to BPL.
- Parents counselling programs.
- Special education, training and rehabilitation of mentally and physically challenged children/persons

b) Irrigation, water supply including drinking water

- Providing assistance for irrigation facilities
- Installation / Repair of hand pumps / Tube wells
- Digging / renovation of wells
- Development/construction of water tanks / Ponds
- Rain water harvesting Scheme
- Drinking water supply to Panchayats

c) Contributions to the following Health Awareness Camps and providing medical facilities and medicines -

- Providing medical facilities including infrastructure development and equipments to Government owned Primary, Taluk, District and Medical College Hospitals
- Social evils like alcohol, smoking, drug abuse etc
- AIDS, TB and Leprosy
- Child and mother care
- Diet and nutrition
- Blood donation camps
- Diabetics detection and hypertension camps
- Family Welfare

d) Environment

Financial support to –

- Green belt development
- Organizing programmes on Environment management and Pollution Control
- Afforestation, social forestry, check dams, parks
- Plantation of saplings producing fruit
- To enable enhanced livelihood and quality of life, promote environment sustainability through various initiatives for:
 - Ecological sustainability
 - Promoting biodiversity
 - Conservation of natural resources
 - Maintaining quality of soil, air and water
 - Promoting renewable energy
 - Developing gardens and river fronts

e) Social empowerment

- Financial assistance for self & gainful employment opportunities on welding, fabrication and other electronic gadgets
- Providing assistance to villagers having small patch of land to develop organic farming, medicinal plants farming and other cash crops to make them economically dependent on their available land resources
- Organize training programs for women on tailoring, embroidery, designs, home food / fast food, pickles, painting and interior decoration and other vocational courses
- Care for senior citizens and destitute

f) Village Electricity / Solar Light

- To develop infrastructural facilities for providing electricity through solar lights or alternative renewable energy to the nearby panchayats. Recurring expenditure should be borne by the beneficiaries.
- To provide financial assistance for street lighting to nearby panchayaths. (only capital cost shall be borne by CIL)

g) Sports and Culture

- Promotion of sports and cultural activities for participation in State and national level by college / school students.
- Promotion/development of sports activities in nearby panchayats by conducting / sponsoring tournaments.
- Providing sports materials for football, volley ball, hockey sticks etc to young / talented players
- Sponsorship of national sports events
- Sponsorship for sports and cultural activities of physically incapable / mentally retarded children.

h) Generation of employment

Financial support to the backward community people for creating self-employment in the areas of organic farming, dairies, poultries, piggery etc.

i) Infrastructure support – construction, repair, extension etc.

- Auditorium
- Educational Institutions
- Rural Dispensaries initiated by reputed NGOs.
- Mobile Crèches.
- Bridges, Culverts and Roads,
- Check Dam
- Shopping Complex to facilitate business / self employment for local people
- Community Centre
- Public toilets
- Bus shelter in Bus Stand
- Development of Parks / Play ground / Sports complex
- Old Age Homes

j) Other areas

CIL will continue to provide support to specific needs such as natural disasters, through financial as well as logistical support. The CSR Committee of CIL may from time to time, choose select areas in addition to those specified above in the course of fulfilment of the CSR objectives of CIL.

Monitoring of CSR Activities:

- ❖ The CSR Committee will be responsible for setting up a transparent monitoring system of the CSR activities of the Company.

- ❖ The Board may be kept informed regarding the progress in implementation of the CSR Policy and activities in keeping with the periodicity decided by the Board.

Reporting:

A) Role of the Board

- The Directors' Report shall include an annual report on CSR containing particulars specified in the Companies (CSR) Rules.
- The Board shall disclose the contents of the CSR Policy in its Report and also have the same placed on the website of the Company.
- If the Company fails to spend the specified amount for CSR activities, the Board must disclose the reasons for inability to spend the said sum in the Board's Report.

B) Role of the CSR Committee

- The CSR Committee will periodically submit reports on implementation of CSR Policy to the Board of Directors as directed by the Board.
- The CSR Committee will issue a responsibility statement, signed by the Chairman of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Funding of CSR activities:

- a) The Company will be required to spend annually at least two percent of the average net profit made during the three immediately preceding financial years on CSR activity. [Average Net Profit must be calculated as provided for the Section 198 of the Act 2013.]
- b) Resources may be pooled with other companies for taking up high value projects; which have greater visibility, more number of beneficiaries, and wider and long lasting visible impacts. However, CSR Committees of respective companies should be in a position to report separately on such projects or programs in accordance with the respective companies CSR Rules.
- c) Any surplus funds arising out of CSR projects or programs or activities shall not form part of the business of the Company. The CSR Committee may recommend for approval of the Board, schemes for utilizing such funds for CSR activities.
- d) The projects / activities sanctioned during previous years under CSR or sustainable development shall continue. Appropriate funds shall be provided to them till their completion.
- e) CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on recommendation of its CSR Committee, but do not include any expenditure on item not in conformity or not in line with the activities fall within the purview of Schedule VII of the Act.

CONCLUSION

This policy shall stand modified by the provisions of the Companies Act / Companies (CSR) Rules as amended from time to time and Government guidelines as and when these are in place and made enforceable.

This CSR policy booklet would serve as the referral document for planning and selection of CSR activities. Any doubt(s) arising thereon, it is advised to refer the provisions of Companies Act 2013 & Companies (CSR) Rules to avoid any inconsistency.

The power to modify / amend the CSR Policy will rest with the Board of Directors.

The Chairman of the CSR Committee / CIL will be responsible for framing the Rules in accordance with and in furtherance of the CSR Policy 2015, as approved and as amended by the Board from time to time and also for the overall implementation of the CSR Policy 2015.