

TCIL New Delhi

Corporate Social Responsibility & Sustainability Policy

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1. Context

TCIL is committed to conduct business in a socially, economically and environmentally responsible and sustainable manner, which enables the creation and distribution of wealth for the betterment of all its stakeholders, internal as well as external, through the implementation and integration of ethical systems and sustainable management practices. For this TCIL shall incorporate a balanced emphasis on all aspects of corporate social responsibility and sustainability with regard to its internal operations, activities and processes, as well as undertake initiatives and projects to facilitate capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions, and upliftment of the marginalized and under-privileged sections of the society.

Further pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having net worth of Rs. 500 crore or more or turnover of Rs. 1,000 crore or more or net profit of Rs. 5 crore or more shall constitute Corporate Social Responsibility Committee ('CSR Committee') and the CSR Committee shall formulate and recommend Policy.

Department of Public Enterprise (DPE) has issued "Guidelines on Corporate Social Responsibility and Sustainability" vide F No. 15/(13)/2013-DPE (GM) dated 21st October 2014 which are effective from 1st April 2014.

The CSR provisions of the Act, Schedule VII of the Act, or the CSR rules are inviolable. However, in addition to the CSR provisions of the Act and the CSR rules, DPE has formulated Guidelines on Corporate Social Responsibility and Sustainability which are applicable to CPSEs. Guidelines do not supersede or override any provision of the Act, or Schedule VII of the Act, or the CSR rules, but will supplement them. It is clarified that in case any perceived conflict between the CSR rules and the Guidelines, the former shall prevail in all circumstances.

DPE Guidelines has mandatory for all profit making CPSEs to undertake CSR activities as per the provisions of the Act and the CSR rules. Even the CPSEs which are not covered under the eligibility criteria based on the threshold limits of net-worth, turnover, or net profit as specified by Section 135(1) of the Act, but which had made profit in the preceding year, would also be required to take up CSR activities as specified in the Act and the CSR rules, and such CPSEs would be expected to spend at least 2 % of the profit made in the preceding year on CSR activities.



The term Sustainability has been used in conjunction with CSR in the title of DPE Guidelines because CSR activities which are envisaged in the Act and in the CSR rules can be supplemented with sustainability initiatives as both aim at achieving sustainable development goals.

The CSR Committee so constituted formulated Policy on Corporate Social Responsibility (CSR Policy) and recommended the same to the Board of Directors of the Company ('Board') for its approval.

1.1. Objectives of the Policy

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- Creating opportunities for employees to participate in socially responsible initiatives.

1.2. Definitions

In this Policy unless the context otherwise requires:

- (a) 'Act' means Companies Act, 2013;
- (b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014;
- (c) 'Ministry' means the Ministry of Corporate Affairs
- (d) 'Net Profit' means net profit as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014 as set out below:.

Net Profit as per 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

- (e) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

1.3. Broad areas & Overview of CSR activities

CSR Policy relates to the activities to be undertaken as specified in Schedule VII of 467(1) of the Companies Act 2013.

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water (Construction of toilets, Contribution to Swacha Bharat program etc) ;
- ii. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centres & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- iv. Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;

- v. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
- vii. employment enhancing vocational skills
- viii. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- ix. Measures for the benefit of armed forces veterans, war widows & their dependents;
- x. Training to promote rural sports, nationally recognised sports, paralympic sports & Olympic sports;
- xi. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- xii. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- xiii. Rural development projects

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

1.4. The Geographic reach

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in the NCR region and such other state(s) in India wherein the Company has/will have its



operations and the areas having need of CSR activities. However, the Below board level Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

2. CSR Committee

2.1. Guiding Principles for Constitution of CSR Committee

The CSR Committee will consist of at least three directors.

The Committee will meet at least twice in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

2.2. Committee Members

The Chairperson and Members of the Committee are as follows:

S. No.	Name	Designation	Chairperson / Member
1.	Sh. Vimal Wakhlu	Chairman & Managing Director	Chairperson
2.	Sh. A.K. Gupta	Director (Finance)	Member
3.	Sh. Rajesh Kapoor	Director (Technical)	Member
4.	Dr. K.Chandrashekhar Iyer	Independent Director	Member
5.	Smt. Simmi R. Nakra	Director (Govt. nominee)	Member




2.3. TCIL Below board level committee(BBLC)

The TCIL CSR BBLC is the extant framework, as on the date of approval of this Policy by the Board of Directors of the Company, which champions the CSR initiatives of the Company. The said Council consisting of employees of TCIL shall assist the CSR Committee in achieving the objectives and purpose of CSR Policy and ensure compliance of the Act.

2.3.1. TCIL BBLC Members

The Chairperson and Members of the BBLC are as follows:

1. Executive Director (BD) – Chairperson, TCIL BBLC & Nodal Officer.
2. GGM (LPF) – Member
3. GM (NW)– Member
4. Manager(CSR)– Member

2.3.2 The Chairperson of the TCIL BBLC, shall place periodic report(s) about CSR activities undertaken and status thereof, before the Committee at such intervals as required for updation of the project status, planning & development of CSR projects. The BBLC will work as per the directions of the CSR Committee.

2.3.3 The members to the TCIL BBLC be added / removed with the approval (including ex-post facto approval) of the Committee.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.



3. Procedures

3.1 Funding

1. As per the Regulations the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any unutilized CSR allocation of a particular year, will be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reasons for not spending the amount.

As per DPE Guidelines, In case of CPSEs mere reporting and explaining the reasons for not spending this amount in a particular year would suffice and the unspent CSR amount in a particular year would not lapse. It would instead be carried forward to the next year for utilization for the purpose for which it was allocated.

2. Annexure II contains the details of the proposed expenditure for respective Financial Year, towards CSR activities. The same shall be amended annually according to the Financial Year after the review by the Committee or at such time, as the Committee may deem fit.
3. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT)

3.2 Planning and Implementation

1. A list of CSR projects/programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.

2. Identification of projects and the executing agency/NGO will be made, inter-alia, by assessing the following:
 - a. Project Objectives
 - b. Baseline survey – As-is and To-be state basis, accordingly the outcome of the project will be measured.
 - c. Implementation schedules – Timelines for milestones of the project will need to be prescribed and agreed upon
 - d. Responsibilities and authorities
 - e. Major results expected and measurable outcome including the expenses/charges ratio as against the actual CSR spend.
3. If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:
 - a. The Company would need to specify the projects/programmes to be undertaken by such an organization, for utilizing funds provided by it;
 - b. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only;
4. The Company may also conduct/implement its CSR programmes through Trusts, Societies, or Section 8 companies operating in India, which are not set up by the Company itself, herein collectively referred to as 'CSR Partner' or 'CSR Partner(s)'.
5. Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.
6. Company may collaborate or pool resources with other companies to undertake CSR activities within India. Only activities which are not for the benefit of employees of the company or their family members shall be considered as CSR activity.



3.3 *Projects / Partners*

1. CSR Committee in consultation of the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company (by making company within company) and/or through CSR Partner(s)

3.4 *Criterion for CSR Partner(s) and Agreement*

1. While identifying projects, CSR Committee will assess CSR Partner(s) organizations who would execute the projects at the grass root level. At a minimum they need to meet the following criteria:
 - a. The CSR Partner(s) has a permanent office/address in India;
 - b. The CSR Partner(s) is a Trusts, Societies, or Section 8 Company having an established track record of three years in undertaking similar CSR programs or projects in pursuance with the relevant regulations;
 - c. Possesses a valid income-tax Exemption Certificate
 - d. The antecedents of the CSR Partner are verifiable
 - e. Have requisite framework to report progress/status of the projects on a quarterly basis on agreed parameters
2. Once the project/program is approved, TCIL and the CSR Partner will be required to enter into an agreement as per the standard MOU requirements.

3.5. *Review and Reporting*

The TCIL BBLC and CSR Committee will review the CSR activities of the Company and will provide progress update to the Board of Directors every six months/such other intervals as deemed fit.

The Company will report, in the prescribed format as set out herein as Annexure I, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April 2014.

4. Monitoring

1. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis by BBLC and same will be submitted for review by committee of Board of Directors of the Company.
2. Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
3. The CSR Committee and persons / entities authorised by BBLC, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
4. Based on analysis of current projects, carry out roadmap planning for allocation of budget and selection of projects. The same will be done atleast once in a financial year.

5. Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

6. Benefits of CSR Activities to TCIL

CSR activities are under taken for larger benefits of the society. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus for CSR activities would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.



Annexure I

Format for the Board of Directors report on CSR to form part of the Annual Report and Website of the Company

1. Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.
2. The composition of the CSR Committee.
3. Average Net Profit of the company for last three financial years
4. Prescribed CSR Expenditure (two percent of the amount as in item No. 3 above)
5. Details of CSR spent during the financial year:
 - a. total amount to be spent for the financial year:
 - b. Amount unspent:
 - c. Manner in which the amount spent during the financial year is detailed below:

Format of Progress Report and Performance Indicators

S. No.	CSR project / activity identified	Sector in which the Project is covered	Projects /Programmes 1.Local area/others- 2.Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project/ programs wise	Amount spent on the project /programs Subheads: 1.Direct expenditure on project, 2.Overheads	Cumulative spend upto to the reporting period.	Amount spent: Direct /through implementing agency*

*Details of implementing Agency:

6. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last

3 financial years, the reasons for not spending the amount shall be stated in the Board report.

7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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(Director)

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(Chairperson CSR Committee)



Annexure II

CSR Activities & Proposed Expenditure for Financial Year 2014-15

Rs. Lakhs

Sr. No.	Proposed CSR activity for 2014-15	Amount
1	Donation to Swacha Bharat Kosh	29.5 lakhs (2% of PAT of preceding year)
2	Donation to Clean Ganga Fund	

