

## **CMPDI's Policy for CSR in line with the CIL'S POLICY FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)**

### **I. PREAMBLE**

The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Govt. alone will not be able to get success in its endeavor to uplift the downtrodden of Society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. Central Mine Planning and Design Institute Limited (CMPDI) has adopted CSR as a strategic tool for sustainable growth. For CMPDI in the present context, CSR means not only investment of funds for Social Activity but also Integration of Business processes with Social processes.

Even much before the issue of CSR became global concern, CMPDI was aware of its Corporate Social Responsibility and was fulfilling the aspiration of the Society through well-defined "Community Development Policy" within the periphery of 25 km. of the Project sites. This has resulted into a harmonious relationship between CMPDI and the peripheral Communities.

### **II. INTRODUCTION:**

CMPDI was established in the year 1975 as a subsidiary of Coal India Limited (a Government of India Public Sector Undertaking). CMPDI operates through its headquarters at Ranchi and seven Regional Institutes designated as RI-I to RI-VII located at Asansol, Dhanbad, Ranchi, Nagpur, Bilaspur, Singrauli and Bhubaneswar respectively. Exploration of coal has profound impact on the people living in and around the areas where the project of CMPDI are established. Hence, the primary beneficiaries of CSR should be PAP and those staying within the radius of 25 km of the Project. Poor and needy section of the society living in different parts of India should be second beneficiaries.

In the aforesaid backdrop, policy on Corporate Social Responsibility of CMPDI **has been framed after incorporating the features of the Companies Act 2013 and as per notification issued by Ministry of Corporate Affairs, Govt. of India on 27.02.2014 as well as DPEs guidelines and broadly covers** the following: -

- a) Welfare measures for the community at large, so as to ensure the poorer section of the Society derived the maximum benefits.
- b) Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness specially with regard to the economically backward class for their development and generation of income to avoid any liability of employment.
- c) Protection and safeguard of environment and maintaining ecological balance.

### **III. OBJECTIVE**

The main objective of CSR policy is to lay down guidelines for the CMPDI to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Govt. in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. CMPDI will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

#### **IV. AREAS TO BE COVERED**

The poor and needy Section of the Society living in different parts of India would normally be covered. The CSR Programme will also cover the existing components of Special Corporate Plan (SCP) and Tribal Sub Plan (TSP) for development of the SC and ST population besides development components for the entire population.

- For carrying out CSR activities of CMPDI, 80% of the budgeted amount should be spent within the radius of 25 Km of the **Project Site/ Company HQ** and 20% of the budget would be spent within the State/States in which the Regional Institutes are operating.
- **In case CSR budget of CMPDI (HQ), or any Regional Institutes is exhausted, the CMD of CMPDI may refer the particular CSR activity/ project/programme to CIL which are considered to be emergent/important by the CMD.**

#### **V. ALLOCATION OF FUND**

- (i) **The fund for the CSR should be allocated based on 2% of the average net profit of the Company for the three immediate preceding financial years.**
- (ii) **The Unspent amount in CSR budget in a particular year will not lapse and shall be added with CSR budget of subsequent years of CMPDI.**

#### **VI. SCOPE**

As per Schedule VII of New Companies Act 2013 the following should be the Scope of Activities under Corporate Social Activities:

- i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and 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 centers 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, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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 arts 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, Paralympics sports and Olympic sports;
- vii) Contribution to the Prime Ministers National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of scheduled castes, the scheduled tribes , other backward classes, minorities and women;
- ix) Contribution or funds provided to technology incubators located within academic institution which are approved by central government;
- x) Rural development projects;

## **VII. IMPLEMENTATION**

- a) The investment of CSR should be project based and for every project time framed periodic mile stones should be finalized at the outset.
- b) Project activities identified under CSR are to be implemented by Department or specialized agencies. Specialized agencies could be made to work singly or in tandem with other agencies. Specialized agencies would include:
  - I. Community based organization whether formal or informal.
  - II. Elected local bodies such as Panchayats.
  - III. Voluntary Agencies (NGOs).
  - IV. Institutes/ Academic Organizations.
  - V. Trusts, Mission etc.
  - VI. Self-help groups.
  - VII. Government, Semi-Government and Autonomous Organizations.
  - VIII. Standing Conference of Public Enterprises (SCOPE)
  - IX. Mahila Mondals/Samitis and the like.
  - X. Contracted agencies for civil works.
  - XI. Professional Consultancy Organization etc.
- c) Activities related to Sustainable Development will form a significant element of the total initiatives of CSR. Such activities should come under the 3 UN Global Compact Principal pertaining to the Environment Business are asked to
  - a. Support a precautionary approach to environment challenges.
  - b. Undertake initiatives to promote greater environmental responsibility and
  - c. Encourage the development and diffusion of environmentally friendly technologies.

## **VIII. INSTITUTIONAL ARRANGEMENT**

- a) All proposals under CSR activity would be examined by the CSR committee keeping in view of the Companies Act, 2013 latest DPEs guidelines together with cost benefit analysis.
- b) CMPDI having a net profit of Rs. 5 crores or more during any financial year shall constitute a

Board Level Committee on CSR consisting of three or more Directors, out of which atleast one Director shall be an Independent Director.

- c) The activities of the CSR committee will also involve the following:
  - i) Interact with the concerned State officials/ Govt. officials, if required to confirm the areas for undertaking activities under CSR and ensure to avoid duplicity of the job.
  - ii) To decide the priority of the activities to be undertaken under CSR.
  - iii) To interact with the CSR implementing agencies for determining the activities to be undertaken.
  - iv) The committee will monitor and review the progress of activities undertaken/completed from time to time.
- d) Delegation of Power (DOP) for according approval of any CSR project proposal would be as under:
  - CSR projects/ programmes/ activities upto Rs. 25.00 lakhs (Rupees Twenty Five Lakhs) shall be approved by the CMD of CMPDI and proposals beyond Rs. 25.00 lakhs shall be approved by respective Boards.

#### **IX. BASE LINE SURVEY & DOCUMENTATION**

- a) Keeping in view the DPEs guidelines baseline survey is not insisted upon in every case and flexibility would be granted to opt other method including use of in house expertise and resources for need assessment studies.
- b) The CSR activities for providing infrastructure facilities like medical college, institution, where social benefit is involved, baseline survey is not required, The cost benefit and justification for any project has to be ascertained.
- c) Meticulous documentation relating to CSR approaches policies, programs, expenditures, procurement etc. should be prepared and put in the Public Domain, (particularly through the internet) and made available to CMPDI Website.

#### **X. MONITORING**

- a) The CSR committee of CMPDI or their representatives shall monitor the progress of work of ongoing projects from time to time and case to case basis or/ the monitoring may be carried out by External Reputed Agency.
- b) The CSR Cell constituted at CMPDI should be headed by an E/8 level officer and will prepare the Annual Report on CSR activities for placing the same before CSR & Sustainable Development Committee.
- c) Board Level Committee on CSR and Sustainable Development of CMPDI shall review the implementation of CSR activities in every six months and recommend the amount of expenditure to be incurred on CSR activities.

- d) The CSR committee shall monitor the Corporate Social Responsibility policy from time to time.
- e) If the company fails to spend the allocated budget in a particular year, the company shall specify the reasons for not spending the amount in the Directors Report.
- f) CMPDI shall include a separate/chapter in the Annual Report on the implementation of CSR activities/project including the fact relating to physical and financial progress.
- g) Utilization Certificate with statement of expenditure duly certified by a practicing Chartered Accountant/ Authorized Auditor will be submitted by the Organization/ Institution to whom CSR fund is allocated.

**XI. UPKEEP AND MAINTENANCE OF ASSETS CREATED**

Maintenance of Assets created under CSR would be the responsibility of the concerned State Government, Local Representative of the Society and concerned Non Government Organization (NGO) through which the CSR activities are implemented and an undertaking/ consent would also be taken.

**XII. REFLECTION OF CSR ACTIVITIES**

Annual audit of all activities undertaken by the company would be done by local authorized auditor. The CSR activities will be reflected in the Annual Report and account of CMPDI under Social Overhead (CSR).

The committee constituted in the Regional Institute will inspect all sites and reflect the same to CSR Cell for their information, record and further action.

**XIII. CONCLUSION**

The above guidelines would form the framework around which the CSR activities would be undertaken. CMPDI, HQ & its all Regional Institutes should have specific activities to adopt mostly in their vicinity of the projects extendable up to the affairs of the State to which it is belonging.

**This Policy will supersede earlier policies relating to CSR and will come into force with immediate effect.**

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