

Corporate Social Responsibility (CSR) Policy



Cement Corporation of India Limited

(A Govt. of India Enterprise)

New Delhi

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Cement Corporation of India Limited

1. CSR Overview

CSR & Sustainability Policy is envisaged as ***“A commitment to meet its social obligations by playing an active role to improve the quality of life of the communities and stakeholders on a sustainable basis, preferably in the areas where it is operating”.***

2. Objective

The objectives of the CSR & Sustainability Policy is to define CSR projects or programs which CCI plans to undertake and which fall within the purview of the Companies Act 2013, the Companies (CSR Policy) Rules, 2014 and the prevailing DPE Guidelines;

- Specify the modalities of execution of such projects, programs and activities;
- Monitoring process of such CSR projects or programs;
- Directly or indirectly take up programs that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace; and
- Generate community goodwill for CCI and help reinforce a positive and socially responsible image, through CSR Activities.

3. Terms & Definitions

Unit(s) : Units of CCI

Company: CCI

Board : Board of Directors of CCI

BLC : Board Level Committee for CSR

Level 1 : Level 1 Committee for CSR

Level 2 : Level 2 Committee for CSR

ULC : Unit level Committee for CSR

Local areas: Districts in which unit operates and the districts contiguous thereto.

Any undefined words and expression used in CCI policy shall have the same meaning as defined in the Companies (CSR Policy), Rules 2014 and “the Companies Act 2013”.

4. SCOPE

This policy broadly covers all relevant clause(s)/sections of the companies (CSR Policy) Rules 2014 and the Companies Act 2013 and DPE guidelines time to time. In case of any contradiction between this policy and provisions of the Companies Act, the latter shall prevail. CSR activities for the benefit of the employees and their families will not be considered as CSR activity.

CSR POLICY STATEMENT

Cement Corporation of India Ltd. (CCI), a Central Public Sector Undertaking under the administrative jurisdiction of the Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India was set up on 18th January, 1965 with an objective to be self-sufficient in cement production and to fill the gap of regional imbalance in cement production and is committed towards holistic welfare of the society by undertaking CSR activities within the ambit of the Schedule VII of the Companies (CSR Policy) Rules 2014. However thrust areas for CSR activities will be:

- Eradicating hunger, poverty and malnutrition promoting healthcare including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water / activities under Swachh Bharat Abhiyan.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 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 including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;

- Contribution to the Prime Minister National relief fund or any other fund set up by the central Government for socio-economic development and relief and welfare of SC, ST and other backwards classes, minorities and women;
- Contribution or fund provided to the technology incubators located within academic institution which are approved by the central government;
- Rural Development project;
- Slum area development.

Any new provision arising out of amendments to Companies Act, 2013 or rules made there under shall be construed to be a part of this policy

5. Budget and Expenditure, Funding and Allocation

- In line with extant provision of section 135 of the Companies Act 2013 and the requirements laid down in the Companies (CSR Policy), Rules 2014; 2% of the average net profit of the company made during the three immediately preceding financial year will be allocated for CSR activities.
- CSR budget for the relevant financial year computed as above shall be approved by the Board.
- The unspent CSR amount would be permitted in exceptional circumstances to carry forward to the next year provided the reasons for not spending the CSR amount shall be approved by the board of directors and disclosed in the Annual Report. CCI endeavours to fully spend the Annual funds allocated for CSR & Sustainability activities/ projects as approved by the Board.
- Any surplus arising out of the CSR Project may not form part of business profit of the Company.
- The expenditure incurred on base-line survey / need assessment study, on capacity building programme such as training, workshops, seminars, conferences etc. and on corporate communication strategies for engagement of all the stakeholders whether internal or external to implement the CSR & Sustainability agenda of a company would be accounted for as CSR and Sustainability expenditure from the budget allocated for this purpose. However in line with the Companies (CSR Policy) Rules 2014, up to 5% of the CSR budget of the year shall be kept as CSR capacity building reserve; to be utilized for capacity building or

enhancement initiatives of the company personnel as well as the implementing agencies, through institution with established track record of at least three financial year.

- Proposals received from registered Trusts/ Societies (having established track record of minimum three years in undertaking similar programs or projects)/ Govt. Agencies/ CPSEs/ Customers etc. will be considered for review depending upon availability of budget during the year and on the merit of the proposal.
- Unit's proposals shall preferably be submitted by the relevant Unit(s) level committee, who will review them and forward the selected proposals to level 1 CSR committee at corporate office for further processing. Such projects should be supported by preliminary survey of the need assessment.
- Proposal relates to corporate will be reviewed by Level 2 CSR committee and forward the selected proposals to level 1 CSR committee at corporate office for further processing.

6. Implementation, Monitoring and Reporting

Implementation:

- CSR & Sustainability activities will be undertaken by Corporate Office/Unit Offices in accordance with the policy.
- If a project under implementation entails utilization of cements and other inputs then the possibility of sourcing the same from the company's concerned unit may preferably be explored during finalization of the specific CSR activity for that unit/project.
- Aligned unit shall ensure monitoring, coordination and supervision of the project during implementation;
- Discussion and interactions with Central and State Govt. officials will be held to identify the areas for undertaking CSR & Sustainability activities to avoid replication of the same with the programmes run by Central, State and Local Government. Initiatives of Government and Self Help Groups (SHGs) etc. would be dovetailed / synergized with initiatives taken by CCI.
- The agreement with the implementing agency will be executed by the unit head.

Monitoring and Reporting:

- The impact of the CSR & Sustainability activities undertaken should be quantified to the extent possible with reference to baseline data, to be created before the start of any

project. Therefore, Base-line surveys would be an integral part of CSR & Sustainability programme so that progress can be measured. Photographic record may be maintained wherever possible.

- For proper and periodic monitoring of CSR & Sustainability activities, if considered necessary, the programmes undertaken under CSR & Sustainability may be reported in the prescribed format to the level 1 committee on monthly basis. In addition, unit will submit status report on need basis as and when required.
- After completion of the project aligned unit shall ensure that a detailed project completion report (covering all aspects of project implementation from its inception up to its completion) is prepared and submitted by the implementing agency in consultation with the unit.
- CSR activities for the year will be published in the annual report.
- The policy of CSR & Sustainability will be uploaded on the CCI's website

7. Organizational Structure, Roles and Responsibilities

7.1 Board of Directors

The Board of Directors shall;

- After taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report; and
- Ensure that the activities, as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

7.2 Board Level committee for CSR

It will consist of Director (HR), Director (Finance) and at least one Independent Director. Chairman of the Committee will be Independent Director. Decision with regard to change in composition or reconstitution of BLC within the purview of the Board and the committee will meet once in a Quarter.

The Board level committee (BLC) for CSR shall

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy;
- b) Recommend the budget and amount of expenditure to be incurred on the activities referred to in clause (a); and

- c) Monitor the Corporate Social Responsibility Policy of the company from time to time

7.3 Corporate Level Committee

7.3.1 Level 1 Committee for CSR

It will assist board level committee for CSR in all matters related to the CSR programs and activities of the company and it will consist of senior officials of corporate office

- ❖ Head of the Corporate P & T- Chairman
- ❖ Head of the Corporate Finance- Member
- ❖ Head of Operations -Member
- ❖ Head of M & CS- Member
- ❖ Head of HR- Convener

Reconstitution of the level-1 committee will be with the approval of Director (HR) and Director (Finance).

Level 1 committee shall;

- Formulate criteria for selection of projects submitted by applicants keeping in view the Companies Act 2013, CSR (Policy) Rules, 2014 and **DPE guidelines** for CSR and the direction from the BLC and the Board.
- Monitor the process and study impact of CSR program /activities periodically with support from the unit.
- Give suggestion(s) relevant to CSR program /activities whenever required.
- Annual CSR budget allocation for Units/Regional offices/Corporate Office

7.3.2 Level 2 Committee for CSR

The committee will assist level 1 committee for CSR activities in all matters related to CSR program or activities of the company and will consist of officials from HR (Convener), Finance (Member), Operation (Member) not below the rank of S5.

Reconstitution of the level 2 committee will be done by the chairman of the level 1 committee.

Level 2 committee for CSR shall;

- Review all CSR proposal put up by the Units and Corporate HR/Admin department and submit a report to the level I committee.

- Documentation and maintenance of data including bringing out reports, news-letters, bulletins. Disclosures at Website etc.
- Preparing the reports/returns required by DHI/DPE & other government agencies
- Obtaining completion certificates for all projects;
- Give suggestion(s) relevant to CSR program /activities whenever required along with latest amendments in the provisions of CSR under the Companies Act

7.4 Unit Level CSR Structure

At the Unit level, GMs of the units will act as Nodal officer for CSR activities and the proposal/ annual budgets will be submitted to the Corporate Office after the recommendation of the Nodal officer.

Unit Level CSR Committee

Unit level Committee will consist of officials from HOD (P&A) (Convener& member), HOD (Finance) (Member), HOD (Operation) (Member) headed by GM (Unit)- Chairman. Reconstitution of the ULC will be done by the Unit Head.

- Identification of appropriate CSR proposals
- Examination and consolidation of proposals and submission to Nodal officer.
- Once projects are approved by Corporate Office, unit to ensure its implementation involving local district administration representatives/NGO/Implementation partner in implementation, monitoring and evaluation of projects in order to ensure transparency and visibility;
- Periodic monitoring and evaluation of CSR activities.
- Maintenance of records and data for local activities;
- Monthly reporting to Level 2 CSR committee Corporate Office;
- Obtaining completion certificates for all projects;

8. Powers for approval

The financial sanctioning authority for each CSR Project / Scheme will be as per the following delegation of power (DOP).

Sl. No.	Designation	Financial Power per case/ proposal
1	C&MD	Any proposal upto Rs.1 lakh with the ratification to the Board
2	CSR Committee of Board	Any proposal from Rs.1 lakh to Rs.3 lakhs with the ratification to the Board.
3	Board	Any proposal more than Rs. 3 lakhs on recommendation of CSR Committee of Board & C&MD.
4	Unit Head	Any proposal up to Rs.10,000/- with annual limit of Rs.1 lakh subject to availability of budget, with the ratification to the Board

9. In case of any difficulty in interpretation of this policy, CMD will be the final authority.