



CENTRAL MINE PLANNING & DESIGN INSTITUTE LIMITED

Corporate Social Responsibility (CSR) Policy of CMPDIL

**CENTRAL MINE PLANNING & DESIGN INSTITUTE LIMITED
(A MINIRATNA COMPANY)
(A Subsidiary of Coal India Limited)
RANCHI – 834008**

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1. INTRODUCTION

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Organizations have realized that government alone will not be able to get success in its endeavor to uplift the downtrodden of the society. With the rapidly changing corporate environment, Central Mine Planning and Design Institute Limited (CMPDIL) has adopted CSR as a strategic tool for sustainable growth. For CMPDIL 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 became a global concern, CMPDIL 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 8 kilometres of its project sites. This has resulted into a harmonious relationship between CMPDIL and the peripheral communities.

CMPDIL has formulated the present ‘CSR Policy’ containing a set of internal approaches/guidelines/principles to be followed while discharging CSR at different levels and as law-abiding corporate entities CMPDIL & its Regional Institutes will also adhere to all such statutes related to CSR in right earnest as and when applicable.

In the aforesaid backdrop, CSR policy of CMPDIL has been framed after incorporating the features of the Companies Act 2013 including amendments to it and notifications issued by Ministry of Corporate Affairs (MCA) and Department of Public Enterprises (DPE), Coal India Limited and Govt. of India from time to time.

2. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for CMPDIL & its Regional Institutes to make CSR a key business process for sustainable development for the society. It aims at supplementing the role of the government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of coal mining.

3. ALLOCATION OF FUND

The following guidelines shall be followed for allocation of fund for CSR activities during the financial year:

- a. For CMPDIL, fund for CSR shall be allocated based on the following amount: As decided by CMPDIL Board subject to minimum 2% of average net profit of the company for the three immediate preceding financial years, as per Companies Act.
- b. Any unspent or excess amount from CSR Statutory Obligation in a financial year would be accounted for as per the provisions of the extant statute. The basis for calculation of unspent or excess amount shall be the amount required to be spent as per the statutory provisions.

4. SELECTION OF CSR PROJECTS/ACTIVITIES

4.1 AREAS TO BE COVERED

Drilling camp/sites/areas/offices of CMPDIL and its Regional Institutes are located in different parts of the country spread in six states in relatively isolated areas. The primary beneficiaries of CSR activities shall be those staying within the radius of 25 kilometres of the Drilling camp/sites/areas/offices of CMPDIL and its Regional Institutes. CMPDIL and its Regional Institutes shall ensure that the maximum benefit of their CSR activities goes to the underprivileged sections of the society. CSR activities should be undertaken as per Schedule VII of Companies Act and as per DPE guidelines issued from time to time.

The following guidelines shall be followed in selection of areas for CSR activities:

- a. CMPDIL shall spend 80% of the CSR fund of a year within the radius of 25 kilometers of their Project Sites/Drilling Camps / Camp Offices /Regional Institutes/ Company HQ / Sites where CMPDI services are being extended and rest 20% within the state(s) in which they are operating. The ratio of 80:20 may be dispensed with by the CMPDIL for a particular year with the approval of CMPDIL Board based on recommendation of the CSR committee of Board, as required, subject to the condition that minimum 60% expenditure is to be made within a radius of 25 kilometres of their Project Sites/Drilling Camps / Camp Offices /Regional Institutes/ Company HQ /Sites where CMPDI services are being extended and rest within the state (s) in which CMPDIL is operating.
- b. CIL (HQ) being the holding company shall also support for execution of CSR projects/programs where CMPDIL is unable to execute such project due to fund crunch. In case available CSR budget of CMPDIL is insufficient to meet the fund requirements of any CSR activity, CMPDIL may refer the duly approved CSR activity/ project/program to CIL (HQ) with the recommendation of seeking financial assistance after competent authority approval at the CMPDIL level is taken. All such requests would have to be forwarded by CSR Cell of CMPDIL after obtaining approval of its Board/CMD. CIL would finance such projects subject to approval of the competent authority at CIL. CIL will include expenditure under its accounts to be extent of funds sought from it. Responsibility of monitoring shall rest with the CMPDIL.

4.2 SCOPE OF PROJECTS/ACTIVITIES

CMPDIL would undertake select CSR activities out of the themes listed in Schedule-VII of the Companies Act as amended from time to time. The themes in the scope of CSR policy must be interpreted liberally so as to capture the essence of the subjects enumerated in Schedule VII of Companies Act. Any modifications in Schedule VII of Companies Act or directions from DPE or MOC or CIL-HQ shall also deem to have been incorporated in the scope of CSR policy of CMPDIL from the date of such changes being notified by the Government.

5. INSTITUTIONAL ARRANGEMENT

CMPDIL fulfilling the criteria as per the Companies Act, 2013 of having net worth of Rs. 500 crores or more, or turnover of Rs. 1000 crores or more, or a net profit of Rs. 5 crores or more during the immediately preceding financial years shall constitute a Board Level Committee on CSR consisting of three or more Directors, out of which at least one Director shall be an Independent Director. The Committee shall monitor and review the progress of CSR activities from time to time.

CSR Cell of CMPDIL shall act as nodal department for implementation of CSR activities in accordance with the CSR policy under the guidance of Director (T), CMPDIL.

CMPDIL shall form an inter-disciplinary committee which will be called CSR Apex Committee and will include senior executives from CSR, Civil, Finance and Medical etc. to review the CSR projects scrutinized by the CSR Cell and recommend them for approval of competent authority.

Based on the recommendation of CSR Cell, CSR project proposals/programmes/activities shall be deliberated in the meeting of this committee which in turn shall examine and submit its recommendation to competent authority for approval through concerned Director (T). Similar committees may also be formed at Regional Institute Level which will be called RI Level Committee.

Delegation of Power (DOP) to approve CSR projects/activities at CMPDIL shall be as under:

- Projects/activities to be undertaken by RIs having value up to Rs. 5.00 lakhs shall be approved by concerned Regional Director on recommendation of RI level committee.
- Projects/activities to be undertaken by RIs having value more than Rs. 5.00 lakhs but up to Rs. 40.00 Lakhs and for HQ Project value up to Rs 40.00 lakhs shall be approved by concerned Director in-charge of CSR on recommendation of CSR Apex committee at HQ.
- Projects/activities to be undertaken by RIs/HQ having value more than Rs. 40.00 lakhs but up to 1.00 crore shall be approved by CMD of the CMPDIL on recommendation of CSR Apex committee at HQ through concerned Director.
- Projects/activities having value more than Rs. 1.00 crore and up to Rs. 5.00 crores shall be approved by CSR committee of CMPDIL Board .
- Projects/activities having value more than Rs. 5.00 crore shall be approved by CMPDIL Board on recommendation of CSR committee of Board.”

6. IMPLEMENTATION

The following guidelines/modalities shall be followed while executing/undertaking CSR activities:

1. Around the beginning of every financial year, CMPDIL will design an Annual Action Plan. Extant statute as regard to Annual Action Plan shall be abided.
2. Activities under CSR except those relating to contribution to funds specified in

Schedule VII shall be in project mode and for every project, time framed periodic milestones should be finalized at the outset.

3. The maximum duration of CSR projects shall be as per the extant statute (i.e. 1+3 years). CMPDIL Board shall monitor the implementation of ongoing projects with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period. CSR department of CMPDIL shall put up a progress report of all ongoing projects for review/information of Board through CSR subcommittee of Board, preferably once in a quarter.

4. Activities identified under CSR shall be implemented either by CMPDIL departmentally or through implementing agencies as per extant statute.

5. Implementing agencies having only local presence shall be considered only for small value projects of up to Rs. 5.00 lakhs.

6. Need and justification of all CSR projects/activities shall have to be ascertained. Need assessment shall be carried out either departmentally using in house expertise or through external reputed agencies including implementing agencies. Need assessment may be based on already conducted web surveys, indices, research papers & reports, census reports, demographic & development study reports, DPE surveys, various Ministry/Govt. Reports & publications etc. Wherever required methods such as household surveys, stakeholder interviews, participatory research exercises, baseline surveys etc. may also be used.

7. The suggestions given by the elected representatives/bodies shall be duly considered while finalizing the CSR activities.

8. Memorandum of Understanding/Agreement (MoU/A) shall be signed with all implementing agencies for projects having value more than Rs. 5.00 lakhs.

9. Extant statute as regard to Impact Assessment of CSR Projects are to be abided.

10. CMPDIL as per its need and till its internal expertise is developed may appoint consultants/reputed institutes/paid interns from reputed institutes following due process, for evaluation of proposals reckonable as CSR proposals, need assessment or impact assessment of CSR projects.

11. Extant statute as regard to Creation and acquisition of Capital assets are to be abided.

12. Extant statute as regard to Surplus arising out of CSR activities are to be abided.

7. DATA MANAGEMENT

All the data related to CSR shall be maintained on real time basis with inbuilt mechanism for periodic report generation, having details of expenditure, project closure, beneficiaries with category wise (SC, ST, OBC, PWD), gender wise and age group (Children, Senior Citizens, Others) wise breakup etc. to the extent feasible. There shall be a common format/data sheet for all companies to maintain the indicators/data. Head of CSR Cell at CMPDIL shall ensure the implementation of the information system.

8. MONITORING AND REPORTING

The following guidelines shall be followed for monitoring CSR activities:

1. CMPDIL Board shall satisfy itself that CSR funds disbursed have been utilized for the purposes and in the manner as approved and the CFO shall certify to that effect.

2. Utilization Certificate with statement of expenditure duly certified by a Practicing

Chartered Accountant/Authorized Auditor in prescribed format shall have to be submitted by the implementing agencies for the CSR fund provided to them as a one-time grant or in instalments. Public authorities may submit Utilization Certificates as per General Financial Rules (GFR) of Govt. of India/State Govt. /District level Class – I officer/Divisional head of implementing agency.

3. Board level CSR committee of CMPDIL would decide which of the CSR projects are to be audited by an external auditor to be appointed with the recommendation of the CSR Apex Committee. The expenditure incurred on such audit of CSR activities may be included in the administrative expenditure under CSR not exceeding 5 percent of total expenditure under CSR in a particular financial year.

4. CMPDIL Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company of that year.

5. Meticulous documentation relating to CSR activities and expenditure shall be prepared and put on the CMPDIL website.

6. CMPDIL shall take CSR mileage by leveraging print, electronic and digital media.

7. The composition of CSR Board Level Committee, CSR policy and projects approved shall be displayed on their websites by CMPDIL for public access.

8. All CSR projects having value of more than Rs. 1 crore should be independently assessed for their impact, as mandated in clause 6(9) of this policy. Reports of such impact assessment should be placed before CIL/subsidiary Board, through the respective CSR committee of Board.

9. DUE DILIGENCE

CMPDIL would comply with all statutory provisions on CSR and the amendments thereto, as promulgated from time to time. CMPDIL would also comply with all rules, regulations, guidelines, orders, directives or any such communication issued by the Central Govt. from time to time. In case of any statute coming into effect where there is already a policy provision, the said statute, from its effective date will substitute and prevail upon such policy provision. Wherever applicable, the definitions of terms such as ongoing project, administrative overheads etc. as given in the CSR rules notified/circulated by Ministry of Corporate Affairs, Government of India from time to time shall apply.

10. LIMITATION AND AMENDMENT

The CSR policy of company will be governed by provisions under Companies Act, 2013 or any other act that may be introduced, Government guidelines and any other govt. instructions applicable from time to time. This policy shall come in effect from the date of approval of Board and shall remain in force till approval of any new CSR policy by the Board.
