

PIPAVAV RAILWAY CORPORATION LIMITED (PRCL)



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

23rd January, 2015

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Pipavav Railway Corporation Limited
PRCL CSR Policy
[January 2015]

1.0 POLICY STATEMENT

For achievement of its mission :

“To facilitate export-import of the country through railable traffic on Surendranagar – Pipavav Section and for enrichment of quality of life of rural and urban population in the locality.”

Pipavav Railway Corporation Limited (PRCL)’s Corporate Social Responsibility Policy is:

“To remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including customers, shareholders, employees, local community and society at large”.

The policy shall come into force w.e.f. 1st April 2014.

2.0 PRCL’S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY

The approach of PRCL towards Corporate Social Responsibility would be oriented to identify and formulate projects in response to felt societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner. In cases where other agencies/organizations are involved, approach would be to focus on collaboration and partnership. It will act as an agency to ensure delivery of services satisfying strongly felt social and community needs rather than merely financing and funding of programmes.

3.0 AIMS AND OBJECTIVES

As a responsible corporate entity, Pipavav Railway Corporation Limited will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of sustainable development with focus on the following:-

1. Providing development support in the areas of education and health care specially in rural areas.
2. Promotion of rural enterprise and livelihood including skill development and training.
3. Supporting initiatives of vocational, technical and higher education to the most disadvantaged and marginalized section of the society.
4. Making sustained efforts for environmental preservation.
5. Promotion of sports and games.
6. To be a part of national / local initiatives to provide relief / rehabilitation in times of natural disaster / calamities
7. To encourage excellence in young Indian champion achievers and promote talent in all fields including education, sports, art and culture etc.
8. Undertaking relevant community development programmes.

4.0 ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY

4.1 PRCL would endeavor to adopt an integrated approach to address the community, societal & environmental concerns by taking up a range of the following activities, which shall be taken up strategically, in project mode, in a focused manner to the extent possible, in line with the law:-

1. The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force.
2. The scope of the policy is to also include all additional and allied matters as will be notified by Ministry of Corporate Affairs or such other body as appointed/ notified by Central or State Government from time to time for this purpose. The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board undertake any of the following activities as part of its corporate social responsibility initiatives which are defined in Schedule VII of the Companies Act 2013 as under:
 - i. Eradicating extreme hunger and poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
 - ii. Promotion of education; including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
 - iii. Promoting gender equality and 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;
 - iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintain of 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 of public libraries; promotion and development of traditional arts and handicrafts;
 - vi. Measures for the benefits of armed forces veterans, war windows and their dependents;
 - vii. Training to promote rural sports, nationally recognized sports and paraolympic sport and Olympic sports;
 - viii. Contribution to the Prime Minister's National Relief fund or any other fund set up by the Central Government or the State Government for socio-economic development and relief and welfare of the 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 the Central Government.
 - x. Rural development projects;
 - xi. Slum area development.

3. The CSR Committee shall frame rules or issue directives with regard to monitoring of the CSR projects or programmes or activities.
4. The Board of Directors of the Company may on the recommendation of the CSR Committee decide to undertake CSR projects or programme or activities by the Company itself directly or through a registered trust or a registered society or a Company or an associate Company established by PRCL or other wise (implementing Agency) provided that if such trust, society or Company is not established by the Company or its holding or subsidiary or associate Company, it shall have an established track record of three years in undertaking similar programs or projects complying with the provision related to companies (Corporate Social Responsibility) Rules, 2014.
5. While undertaking CSR projects or programme or activities preference shall be given to the local area or area of operation of the Company Such area of operation for any identified project or programme or activity shall be finalized by the Board of Directors upon recommendation of CSR Committee.
6. In the initial years of CSR activity, Company will focus on girl child education; health care / hygiene; skill development; eradicating extreme hunger, poverty and malnutrition; protection of fauna; animal welfare; promotion of employment enhancing vocational skills; livelihood enhancement projects and rural development projects. The focus and coverage of area will be decided on year after year basis and approved by the Managing Director/PRCL.

5.0 PROHIBITED ACTIVITIES UNDER CSR

The Corporation will abstain from carrying out following activities under CSR which may create dissatisfaction among any section of the Society:-

- I. Activities concerned with religion like construction of temple/mosque etc.
- II. Activities disturbing social harmony in any manner.

6.0 CSR COMMITTEE

- 6.1 The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of three or more Directors, out of which at least one shall be an Independent Director. The Committee shall:
 - a) Formulate and recommend to the Board, the CSR Policy and any amendments thereof;
 - b) Recommend the amount of expenditure to be incurred on the activities as per CSR Policy;
 - c) Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
- 6.2 The CSR Committee shall meet as and when deemed necessary and quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.

- 6.3 The CSR Committee may invite Specialists, Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person(s) as it may deem consider necessary to attend the meeting.
- 6.4 The CSR Committee may by resolution delegate or entrust any of the function, acts, deeds or things, etc. as may be required to be performed or complied by it, whether under Companies Act, 2013 or rules made there under or otherwise to any person, whether in employment of the Company or otherwise, and any such functions, acts, deeds or things etc., performed by such person pursuant to such resolution shall have effect, as if the same has been performed by the Committee itself.

7.0 QUANTUM OF INVESTMENT

- 7.1 The Company shall spend, in every financial year, at least 2% of the average net profits of the Company made during the immediately 3 preceeding financial years. Net profit in such case will have the meaning as stated under Rule 2 (f) of the Companies (Corporate Social Responsibility) Rules, 2014.
- 7.2 CSR Expenditure shall include all expenditure including corpus for project or programme relating to CSR activities approved by the Board on recommendation of CSR committee However, the same will not include expenditure on any item not in conformity or in line with the activities stated under Schedule VII of the Companies Act, 2013.
- 7.3 CSR project or programme or activities undertaken in India only shall be considered as CSR Expenditure .
- 7.4 Projects or programme or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.
- 7.5 Contribution of any amount directly or indirectly to any political party shall not be regarded as a CSR activity .
- 7.6 Any expenditure incurred for building CSR capacity, whether own or that of eligible Implementing Agency, shall not exceed five percent of total CSR Expenditure, in one particular financial year.
- 7.7 Surplus arising out of CSR projects or programmes or activities shall not form part of the business profit of the Company.
- 7.8 If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report.

8.0 MONITORING AND EVALUATION

PRCL may institutionalize the process of assessing the CSR initiative in terms of the initiatives to integrate the business and social responsibilities of the Corporation. Further, the impact of the CSR activities may be quantified to the extent possible. The CSR activities undertaken by the PRCL will be reviewed on half yearly basis and progress review report will be submitted to the PRCL Board of Directors.

9.0 POST IMPLEMENTATION IMPACT ASSESSMENT

If considered necessary and as decided by the Committee, the effectiveness of various programmes / activity undertaken under the CSR may be got evaluated through external agencies for providing the required feed back and inputs to formulate and improve the programmes in future.

10.0 ALLOCATION OF FUNDS

- 10.1 A total allocation of amount as prescribed and approved by the Board will be earmarked every year for implementation of CSR programmes.
- 10.2 Subject to 7.1 above, the said amount shall be transferred to the account of PRCL CSR Fund.
- 10.3 The un-utilized amount if any, will not lapse, if not spent that year and will be carried over to the next year which may accumulate.
- 10.4 The allocation of funds may vary depending on the need and requirement and provision for the national calamity in the respective year and will be decided on year to year basis.

11.0 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.

Amitabh Lal
(Managing Director/PRCL &
Member of the Committee)

Prakash Tulsiani
(Director/PRCL &
Member of the Committee)

Manoj Kumar Srivastava
(Director/PRCL &
Member of the Committee)