

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

INTRODUCTION

Corporate social responsibility is a self regulating business model that helps a Company be social accountable to itself, its stakeholders and the public. With the enactment of the Companies Act, 2013 it has been mandated to spend on corporate social responsibility activities through a statutory provision. This CSR policy relates to the activities to be undertaken by the Chandigarh Smart City Ltd. (company) as specified in schedule VII to the Act and the expenditure whereon, excluding activities undertaken in pursuance of normal course of business of the Company. CSR can be referred as corporate initiative to assess and take responsibility for the Company's effects on the environment and impact on social welfare

VISION OF THE COMPANY

**“The City Beautiful is Envisioned to become leader in liveability,
Sustainability, equality and innovation”**

1. APPLICABILITY OF CSR:-

The provisions of section 135 of the Companies Act has made it mandatory for the following Companies to constitute CSR committee and make CSR expenditure:-

- i) Having net worth of Rs. 500 crore or more
- ii) Or turnover of Rs. 1000 crore or more
- iii) Or a net profit of Rs. 5 crore or more during the immediately preceding financial year.

2. CSR ROADMAP

- a) To Develop meaningful and effective strategies for engaging to produce an overall positive impact on society at large;
- b) To Check and prevent pollution; recycle, manage and reduce waste, manage natural resources in a sustainable manner;
- c) To Ensure efficient use of energy and environment friendly technologies;
- d) To Consult with local communities to identify effective and culturally appropriate developmental programmes depending on the needs;
- e) To Partner with credible organizations like trusts, foundations etc. including non-government organizations operating in the areas such as education, skill development, healthcare, environment;
- f) To Nurture young minds and developing them into responsible citizens specially from the under privileged section of society.

3. CONSTITUTION OF CSR COMMITTEE

Keeping in line with Section 135 of the Companies Act, 2013 (hereinafter referred to as 'the Act'), the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee (hereinafter referred to as the 'CSR Committee') which is as under:-

- i) Secretary, Local Government-cum-Home Secretary, Chandigarh.
- ii) Finance Secretary, Chandigarh
- iii) Commissioner, Municipal Corporation, Chandigarh-cum-CEO, Chandigarh Smart City Limited.

CSR Committee will carry out the following functions:

- (a) to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken as specified in prescribed Schedule;
- (b) to recommend the activities and amount of expenditure to be incurred on the activities referred to in clause (a) above;
- (c) to monitor the Corporate Social Responsibility Policy from time to time.

4. CSR BUDGET

As per Companies Act, the Company would not spend not less than 2% of the average net profits of the Company made during the 03 (Three) immediately preceding financial years

However if the Company ceases to be covered under sub section (1) of Section 135 of the Act for the 3 financial years then it shall not be required to comply with the provisions laid down under sub section (2) to (5) of the said section till such time it meets the criteria specified in sub section (1) of the Act.

5. CSR ACTIVITIES:-

- (1) The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- (2) The Board of a company will decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise:

Provided that-

- (i) 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;
- (ii) The company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

- (iii) CSCL will also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
- iv) Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
- v) CSCL will build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year.

6. CSR PROJECTS, PROGRAMS AND ACTIVITIES

In accordance with the specified activities under the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and any amendment(s) thereof, the thrust areas identified under the CSR activities of the Company are as under:

ENTRIES IN SCHEDULE VII TO THE COMPANIES ACT 2013	THRUST AREA IDENTIFIED BY THE COMPANY	
	PROJECTS OR PROGRAMS	MODALITIES OF EXECUTION
i) HUNGER POVERTY MALNUTRITION AND HEALTH CARE -eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation (Including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water	Promoting Health Care, sanitation & safe drinking water.	The area to be covered and the participating organization / entity for execution of activities to be identified.
ii) EDUCATION -promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Supporting education of underprivileged children / girl child including infrastructure. Sponsorship of education through scholarships for only deserving candidates.	Aid, the scheme and organization / entity through whom the programme is to be executed to be identified.
iii) GENDER EQUALITY AND WOMAN EMPOWERMENT -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	Sponsoring vocational education for women	The area to be covered and the participating organization / entity for execution of activities to be

	facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups		identified.
iv)	ENVIRONMENTAL SUSTAINABILITY ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga)	May be considered in future	
v)	NATIONAL HERITAGE ART AND CULTURE -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;	May be considered in future	
vi)	ARMED FORCES VETERANS -measures for the benefit of armed forces veterans, war widows and their dependents;	May be considered in future	
vii)	TO PROMOTE SPORTS -training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports	May be considered in future	
viii)	SLUM AREA DEVELOPMENT - Slum area development projects	May be considered in future	

Explanation:- For the purpose of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

7. IMPLEMENTATION

CSR Projects / Programs identified by the Company, as mentioned in the Policy, will be implemented during financial years and / or beyond. The Company may also undertake other CSR activities, in line with the provisions of the Companies Act 2013, as may be appropriate from time to time.

8. SURPLUS OF CSR PROJECTS

The surplus, if any, arising out of the CSR projects or programmes or activities, shall not form a part of the business profit of the Company and will be ploughed back into the CSR activities.

9. CAPACITY BUILDING

The Company may build CSR capacities of its own personnel by training its staff to think strategically about how and where the money is being spent, as well as how to effectively manage other organizations through which or in collaboration with which the Company undertakes/ may undertake CSR activities.

CSR expenditure including salaries of personnel (if any) who are engaged in CSR activities, spent on capacity building for the CSR team in the Company who have been especially entrusted the assignment to execute CSR projects and expenses incurred on their training etc. cannot make up more than 5% of the overall CSR spend for the year. Further, organization(s) providing the capacity building training, wherever engaged, must have a track record of more than three years in implementing such training.

10. MONITORING AND REVIEW MECHANISM

The administration of the CSR Policy and the execution of identified CSR projects, programs and activities under it shall be carried out under the overall superintendence and guidance of CSR Committee.

Further, any or all provisions of the CSR Policy would be subject to revision/ amendment by the Board of Directors of the Company based on the recommendations of the CSR Committee or else in accordance with the guidelines on the subject as may be issued, from time to time.

11. EXPENDITURE NOT COVERED UNDER CSR

- a) Contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR activity.
- b) The expenditure on the remuneration of the staff, incidental expensive on travelling etc. relating to CSR expenditure.
- c) Any projects or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
- d) Any expenditure on an item not covered under or not in line with activities under the schedule VII to the companies Act on CSR shall be excluded.

12. DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE:-

The Board of Directors of the company shall, after approving the CSR Policy for the company will disclose contents of such policy in its report and the same shall be displayed on the company's website, if any.