



# **CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABILITY POLICY**



**KAMARAJAR PORT LIMITED**

**(A MINI RATNA Govt. of India Undertaking)**

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## **1.0 Introduction:**

With the change in the corporate mind set triggered by social expectations and pressure, the urge to integrate economic activities with the society at large is increasing. The concept of Corporate Social Responsibility has gained prominence in various organizations. Corporate Social Responsibility is a continuing commitment to behave ethically and contribute to harmonious and sustainable development of society through business, while improving the quality of life of the community and society. KPL has adopted CSR as a strategic tool for inclusive growth. The concept of inclusive growth has further necessitate that corporate activities should not be limited merely to the profit maximization of the shareholders but should also transfer the benefits of its existence to society in general and the neighbourhood in particular. CSR is the organization's commitment to operate in an economically and environmentally sustainable manner, while recognizing the interest of its stakeholders.

## **2.0 Objective, Vision and Mission for KPL:**

**“To be a respecer Major Port on the East Coast of India with total inclusive growth”.**

2.1 The objective of this policy is

- to define CSR and sustainability projects to undertake and which fall within the purview of the Companies Act 2013 and Guidelines on CSR as and when issued by DPE.

- implementation of such CSR and sustainability projects or programs
- monitoring and reporting process of CSR and sustainability projects or programs
- to ensure an increased level of commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of its stakeholders.
- to generate a societal goodwill for KPL through CSR initiatives and help reinforce a positive & socially responsible image of KPL as a corporate port.

2.2 KPL through its CSR and sustainability initiatives shall continue to undertake projects mainly focusing on fulfillment of the needs of the local area of Kamarajar Port based on the baseline survey, suggestions/ demands of the key stakeholders, including those who are directly impacted by KPL commercial operations/ activities.

### **3.0 Terms and Definitions**

Company / KPL	: Kamarajar Port Limited
Board	: Board of Directors (BOD) of KPL
BLC	: Board Level Committee for CSR
DPE	: Department of Public Enterprises
CPSE's	: Central Public sector Enterprises
CSR	: Corporate Social Responsibility

- Local Area - District in which port operates and the district contiguous thereto. i.e., Chennai and Kancheepuram districts within radius of 50 Km of Kamarajar port.
- Mega project - A project where the cumulative value of the project is more than Rs.1.00 Crore.

Any undefined works and expressions used in KPL CSR policy shall have the same meaning as defined for them in the CSR rules, 2014 of Companies Act, 2013 and latest Guidelines of CSR and sustainability issued by DPE.

#### **4.0 Scope of CSR Policy:**

- 4.1 Since its inception, KPL has been actively integrating itself with the process of neighbourhood development in a major way. For doing this, KPL has been undertaking a host of community development programmes in areas of education, skill development, health, civic amenities, women empowerment etc., with a view to improving the neighbourhood communities.
- 4.2 The policy broadly covers all relevant clauses / sections of the CSR rules, 2014 of Companies Act, 2013 and latest Guidelines of CSR and sustainability issued by DPE.
- 4.3 The policy relates to the activities to be undertaken by KPL as specified in the Schedule VII of the Companies Act, 2013. CSR activities mentioned in the Schedule VII are to be interpreted liberally. Further, one-off events such

as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes, etc., would not qualify as CSR activities as clarified vide GC No. 21/2014 dated 18.06.2014 issued by Ministry of Corporate affairs.

- 4.5 The Policy will seek to diversify the activities and also to undertake similar activities in areas beyond the local area as well in line with the objective of the company.

## **5.0 Strategy and thrust areas:**

- 5.1 KPL shall consistently strive to meet the expectations of the society by supporting initiatives for improving infrastructure/ quality of life of society / community without compromising on ecological issues on sustainable basis consistent with the CSR provisions of Act, Schedule VII of the Act, CSR rules, the Guidelines issued by DPE and the policy directions issued by the Government time to time.
- 5.2 KPL, as a socially responsible corporate port would like to endeavor to
- promote and leverage green technologies to produce goods and services that contribute to social and environmental sustainability
  - take up CSR projects by priority to the issues which are in the National Development agenda like safe drinking water, provision of Toilets especially for girls, health and sanitation and education, etc., with the main focus to address the basic needs of the deprived, under privileged and

weaker sections of the society which consists of SC, ST, OBCs, minorities, BPL families, old and aged, woman/ girl child and physically challenged, etc.,

- 5.3 KPL shall get a baseline survey /need assessment survey done prior to the selection of CSR project / activity.
- 5.4 KPL has identified the thrust area in which it will undertake projects/programmes/ activities under CSR and sustainability as specified under Schedule VII of the Companies Act, 2013. Details of the thrust areas enclosed as **Annexure-I** will form part of the policy.

#### **6.0 Allocations of funds:**

- 6.1 In line with the extent of provisions of Section 135 of the Companies Act, 2013 and requirements laid down in the Companies (CSR Policy) Rules, 2014; at least **2%** of the average net profit of the Company made during the three immediately preceding financial years will be allocated for CSR activities.
- 6.2 The company shall give preference to the local areas of spending at least 80% of the amount earmarked for CSR activities. The remaining amount may be utilized beyond local areas.
- 6.3 All CSR activities / projects will be undertaken after making a distinctive budgetary provision. The overall CSR Budget will be approved by the Board of the Company on recommendation of the CSR committee.

- 6.4 The unspent CSR amount would be permitted, in exceptional circumstances, to carry forward to the next year, provided the reasons for not utilizing the entire CSR amount allocated in a particular year, and the plan(s) for utilizing the unspent amount in the next year is approved by the Board and disclosed in its Annual Report.
- 6.5 Expenditure for baseline survey and impact assessment study for CSR projects including other expenditure for CSR capacity building shall not exceed 5% of the CSR budget of KPL for the financial year.
- 6.6 KPL shall ensure that the surplus arising out of the CSR projects or programmes or activities shall be not form part of the business profit of the Corporation.
- 6.7 Salaries paid by the company to regular CSR staff as well as to volunteers of the company (in proportion to company's time/hours spent specifically on CSR) will be factored into CSR project cost as part of CSR expenditure.
- 6.8 Expenses incurred for the fulfillment of any act/statute of regulations (such as Labour laws, land Acquisition Act etc.) would not count as CSR expenditure.

## **7.0 Implementation:**

- 7.1 KPL shall take steps to implement the CSR agenda within the organization through the active involvement of the employees, who are important internal stake holders.



7.2 KPL shall device internal communication strategies to spread awareness of CSR amongst the employees, providing them with education and training necessary for attitudinal change and their conversion to socially and environmentally sustainable methods and practices of doing business, and adopting motivational tools to provide just the right momentum to push all such initiatives.

7.3 Based on the baseline survey and proposal identified from various sources i.e., Govt. agencies, PSUs, and reputed agencies, etc., in accordance with the thrust area indicated in the policy shall be included / amended in the section 5.4. CSR proposals shall be first examined by the CSR cell / nodal officer and his team of officers and suitable proposals shall be put up to Board level Committee for consideration / approval following due approval process in KPL. After obtaining approval of BLC, the proposals shall be put up for consideration & approval of the Board of Directors (BOD). The CSR and sustainability policy initiatives shall be undertaken in the project by 80% and 20% as non-project basis. The value of a CSR and sustainability project more than Rs.1.00 Crores shall be considered as mega project for the purpose of mandatory impact assessment.

7.4 The CSR projects/ activities shall be implemented in three ways as below.

- a) directly by KPL
- b) through NGOs/ Voluntary organizations/ trusts
- c) through concerned Government/ District authorities

Every projects/ activities shall specify the implementation schedule indicating the start date, date of completion, likely benefits, etc.,

a) Directly by KPL

- i) The activities which can be implemented by KPL either directly or by engaging contractors for infrastructural development.
- ii) The periodic activities such as conducting medical camps, distribution of uniforms to schools, and also activities like donation of Ambulances/medical equipments to hospitals,etc.,

b) Through NGOs/ Voluntary organizations/ trusts

- i) The proposals of the CSR and sustainability projects which cannot be taken up by KPL directly because of its nature and other limitations shall be considered for implementation through reputed NGO/ Voluntary organizations/ trusts functioning in similar activities.
- ii) The NGOs/VOs shall be identified based on their credentials and long standing performance in respective fields. NGOs/ VOs with proven performance and tax exemption benefit shall be given preference. The minimum period of proven performance in the relevant field for NGO/ Trust shall be atleast three years.

c) Through concerned Government/ District authorities

- i) The CSR and sustainability projects which cannot be taken up by KPL directly or through NGOs /Voluntary Organizations/Trusts due to various

reasons/constraints, shall be carried out with the help of respective Government /District Authorities.

ii) The Government/District Authorities may also submit specific CSR proposals. In such cases, KPL may release funds to the respective authorities for initiation and implementation, provided the schemes match within the ambit of Act, Schedule VII, CSR rules and Guidelines issued by DPE.

iii) Such CSR and sustainability projects implemented through the local bodies/ Agencies nominated by the Government /District Authorities the funds shall be released in one-time payment and authentication by obtaining Utilization Certificate.

## **8.0 Monitoring and reporting:**

8.1 The CSR committee of Board shall institute a transparent monitoring mechanism for implementation of the CSR Projects/Activities/ programs undertaken by KPL.

8.2 The CSR Projects/Activities/ programs shall be monitored directly or indirectly by KPL. The monitoring shall be done as below:-

### **a) Projects directly taken up by KPL -**

i) The CSR Projects taken up by KPL or through Contractors shall be monitored directly by CSR cell/ nodal officer and his team or external agency if appointed.

ii) The award of contract for CSR works shall be finalized within the time frame for timely initiation of the activity.

iii) The CSR Cell/ nodal officer and his team shall draw a time frame from the date of initiation. Any delay noticed while monitoring the activity, remedial measures may be taken for timely completion of the Project.

b) Through NGOs /Voluntary Organizations -

i) The CSR Projects taken up through NGOs / Trusts shall be evaluated and monitored jointly by CSR Cell and respective organizations. An evaluation format shall be prepared jointly by both CSR Cell and Organization for this purpose.

ii) The periodicity of joint evaluation shall also be decided by both the parties together. At times, any official from CSR cell or nodal officer and his team any other department of the Project may also independently review the performance by visiting the sites.

c) Through Government/District Authorities at the respective Projects-

i) The Projects taken up through Government /District Authorities shall be monitored by both KPL and the respective departments either jointly or independently.

ii) Finance shall be provided by KPL as one-time payment and authentication by obtaining Utilization Certificate.

8.3 The CSR committee of Board shall monitor the progress of work of ongoing projects from time to time and case to case basis.

8.4 CSR Cell/ Nodal officer will submit the monthly report to the CSR committee of Board and Board of Directors of KPL.

- 8.5 CSR Cell/ Nodal officer will submit the Quarterly report along with the PowerPoint presentation with videos/ photos, etc.,
- 8.6 The CSR cell/ Nodal officer shall submit the Annual report on CSR and sustainability activities to CSR committee of Board and Board of Directors to incorporate in the Annual Report of KPL.
- 8.7 The Board report of a company shall include an annual report on CSR containing particulars as specified in the Annexure of CSR rules or as amended time to time of guidelines of DPE.
- 8.8 If KPL 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.
- 8.9 CSR policy and the project details therein shall be displayed on the KPL website.
- 8.10 Maintenance of Assets created under CSR would be the Responsibility of the concerned 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.

## **9.0 Evaluation/ Impact assessment**

- 9.1 Evaluation/ Impact assessment shall be carried out by specialized agencies such as Govt. / Semi- Govt. organizations/ PSUs/ NGOs/ reputed institutions and Academic organizations, etc.

- 9.2 The impact assessment is mandatory for mega projects as per the threshold determined by the Board and specified in the CSR policy of.
- 9.3 The company should get an Evaluation /Impact assessment study done by external agencies for the CSR and sustainability activities / projects undertaken.

#### **10.0 Review of Policy:**

- 10.1 Any policy framework needs periodic reviews and updations in order to preserve its relevance. This Policy of KPL on CSR would also be periodically reviewed and updated in light of the past experience gained through implementing various CSR projects.
- 10.2 CMD is empowered to make any supplementary rules/order to ensure effective implementation of the CSR policy.
- 10.3 The policy will be reviewed or amended based on the circulars issued by the Ministry of Corporate Affairs (MCA) from time to time.
- 10.4 Any or all provisions of the CSR policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Government / DPE, from time to time.
- 10.5 This policy will supersede / override the previous policy on Corporate social responsibility and Sustainable Development.

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## **ANNEXURE –I**

- 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 the 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, agroforestry, 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 of 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, para olympic sports and Olympic sports;
- viii. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women;
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- x. rural development projects.
- xi. Slum area development.