



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

(Pursuant to Section 135 of the Companies Act, 2013)

### **NILA INFRASTRUCTURES LTD.**

Corporate Identification Number [CIN]: L45201GJ1990PLC013417

Registered Office: First Floor, Sambhaav House,

Opp: Chief Justice's Bungalow, Bodakdev, Ahmedabad - 380015

The Companies Act 2013 has under section 135 prescribed that every Companies having net worth of Rupees five hundred crores or more or turnover of Rupees one thousand crores or more or a net profit of rupees five cores or more during any financial year shall constitute a Corporate Social Responsibility (CSR) Committee and ensure that the Company spends, in every financial year, at least two percent of the average profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy. In terms of these provisions of the law, the Company has framed and adopted this policy for Corporate Social Responsibility at the meeting of the Board of Directors held on May 29, 2014.

### **1. OBJECT OF THE POLICY:**

The object of the policy is to frame road map for the CSR activities to be undertaken by the Company and establish a monitoring mechanism for effective implantation as per regulatory requirement.

### **2. SCOPE OF ACTIVITIES UNDER THE POLICY:**

The scope of the CSR activities undertaken by the Company shall be as under:

- 2.1 CSR activities implemented by the Company on its own,
- 2.2 CSR activities implemented by the Company through own trust / society or group company trust/society,
- 2.3 CSR activities of the Company through an external trust/society.

### **3. DEFINITIONS:**

In this Policy, unless the context otherwise requires:

- 3.1 **“Act”** shall mean the Companies Act 2013, including any modifications, amendments or re-enactment thereof.
- 3.2 **“Agency” (or Agencies)** means any Section 8 Company or a registered trust/society/NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.
- 3.3 **“Approved Budget”** shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
- 3.4 **“Board”** shall mean the Board of Directors of the Company.
- 3.5 **“Company”** shall mean Nila Infrastructures Limited.
- 3.6 **“CSR Annual Plan”** shall mean the annual plan detailing the CSR expenditure for the financial year.

- 3.7 **“CSR Committee”** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act.
- 3.8 **“CSR expenditure”** means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, excluding the contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- 3.9 **“CSR Officer”** shall mean the whole time person engaged by the Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.
- 3.10 **“CSR Policy”** shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
- 3.11 **“CSR Projects” or “Projects”** means Corporate Social Responsibility projects/activities/ programs/ initiatives, undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.
- 3.12 **“Financial Year”** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- 3.13 **“Net profit”** shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.
- 3.14 **“Rules”** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
- 3.15 **“Society”** means a Society formed and registered under the Societies Registration Act, 1860 by the Company and includes a society jointly formed and registered by the Company with all or any of its Group Companies.
- 3.16 **“Thrust Areas”** shall have the same meaning as prescribed to them as per provisions of Clause 4 of the policy.
- 3.17 **“Trust”** means a Trust created and registered under the India Trusts Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group Companies.

#### **4. THRUST AREA:**

The Company is eligible to undertake any activities as CSR as prescribed under Schedule VII of the Act, however, presently the Company proposes to undertake following relevant activities as CSR on priority basis.

##### **4.1 Community healthcare, sanitation and hygiene, including, but not limited to:**

- a) Establishment and/or management of infrastructure ensuring cleanliness, waste removal, and sanitation.
- b) Establish and manage medical healthcare units and allied infrastructure.

- c) Providing financial and/or other assistance to the agencies involved exclusive in waste management, sanitation, medical healthcare, therapeutic clinics, research, public health, nursing etc.
  
- d) Activities concerning or promoting:
  - i. General health care including preventive health care
  - ii. Safe motherhood
  - iii. Child survival support programs
  - iv. Health / medical camps
  - v. Better hygiene and sanitation
  - vi. Adequate and potable water supply, etc.

#### **4.2 Social care and concern, including, but not limited to:**

- (a) Creating Public awareness for cleanliness and to undertake campaign thereof;
- (b) Protection and up gradation of environment including ensuring ecological balance and related activities and undertaking public campaign thereof.

### **5. IDENTIFICATION OF CSR PROJECTS:**

- 5.1 The CSR Officer shall identify various CSR Projects and place for approval of the CSR Committee, in particular in Thrust Areas, with estimated expenditure and phase wise implementation schedules.
- 5.2 The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units and projects) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
- 5.3 As a cardinal principle, the CSR Projects in Thrust Areas, shall be identified on the basis of a detailed assessment survey.
- 5.4 The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of identification of CSR Projects after consulting the Chairman.

### **6. IMPLEMENTATION OF CSR PROJECTS:**

The Company shall implement the identified CSR Projects by the following means:

#### **6.1 Direct Method**

- (a) The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;

- (b) The Company may also implement the identified Projects presently through its Trust or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
- (c) The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
- (d) The Company may collaborate with other companies, including its Group Companies, organizations, NGOs etc. if required, for fulfilling its CSR objects through the Direct method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

## **6.2 Indirect Method**

- (a) The Company may implement the identified CSR Projects through Agencies, subject to the condition that:
  - i. The activities pursued by the Agency are covered within the scope and ambit of Schedule VII of the Act provided,
  - ii. The Agency has an established track record of at least three years in undertaking similar programs or projects, and
  - iii. The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.
- (b) The Company, may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

## **7. MONITORING**

Monitoring process for CSR Projects shall include the following:

- 7.1 Evaluation of Planned progress V/s Actual Progress;
- 7.2 Actual expenditure V/s expenditure as per Approved Budget

## **8. FUND ALLOCATION AND OTHER:**

### **8.1. Fund allocation**

- (a) The Company, in every Financial Year, shall endeavor to spend the feasible amount, which shall not be less than the statutory limit specified under the law.

- (b) The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
  - i. Identified CSR Projects
  - ii. CSR expenditure
  - iii. Implementation Schedules
- (c) Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee
- (d) In case the Company fails to spend the statutory minimum limit in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134.

## **8.2. Others**

- (a) The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the Projects in the Thrust Areas. However, there shall not be any preference given to any particular Thrust Area for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.
- (b) The Chairman and the CSR Officer of the Company are authorized jointly to decide on Projects to be implemented through the Indirect Method within the allocation as per the Annual Plan.
- (c) Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.
- (d) The Company may build CSR capacities of their own personnel or personnel of its Trust or Society, as well as those of the Agencies through institutions with established track records of at least three Financial Years but such expenditure shall not exceed 5% of the Approved Budget of the Company in one Financial Year.

## **9. DUTIES AND RESPONSIBILITIES:**

### **9.1 Board of Directors**

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

### **9.2 CSR Committee**

- (a) The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at least twice a year.
- (b) In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.

- (c) The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting in April/May of the following year for Board review and finalization.
- (d) The CSR Committee shall place before the Board in April/May every year a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company for inclusion in the Board's Report.
- (e) The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan is displayed on the Company's website.

**9.3 CSR Officer:**

- (a) The CSR Officer shall be responsible for the proper implementation and execution of CSR Projects of the Company. The CSR Officer shall be responsible for monitoring the Projects vis-à-vis the Annual Plan.
- (b) The CSR Officer shall send the half yearly CSR report for the CSR Committee meeting in October and CSR Annual Plan and the draft annual report as per the format in Rules for the CSR Committee meeting in April/May of the following year.
- (c) The CSR Officer shall communicate the relevant feedbacks received by him/her to the CSR Committee.
- (d) The CSR Officer shall be directly responsible to the CSR Committee for any act that may be required to be done by the CSR Committee in accordance with the Policy.
- (e) The CSR Officer shall be assisted by a select group of individuals who shall be exclusively dedicated and/or available on priority basis to the CSR Officer, including in Units, as and when required in discharge of all or any of his functions as required under the CSR Policy.

**10. PERIODIC REVIEW AND AMENDMENTS:**

10.1 CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.

10.2 The CSR Committee shall review the Policy every two years unless such revision is necessitated earlier.

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