DMIC INTEGRATED INDUSTRIAL TOWNSHIP GREATER NOIDA LIMITED

(CIN: U74900UP2014PLC063430)

Corporate Social Responsibility Policy
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. INTRODUCTION

Corporate Social Responsibility is not a new concept in India, however, the Ministry of Corporate Affairs, Government of India has recently notified the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 "hereinafter CSR Rules" and other notifications related thereto which makes it mandatory (with effect from 1st April, 2014) for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility. As mentioned by United Nations Industrial Development Organization (UNIDO), CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple Bottom-Line- Approach"), while at the same time addressing the expectations of shareholders and stakeholders.

The CSR Policy of the Company has been drafted in light of the following:
(a) Section 135 of the Companies Act 2013
(b) Companies (Corporate Social Responsibility) Rules 2014;
(c) The circulars and notifications issued by the Ministry of Corporate Affairs from time to time;
Whenever any amendments are made in provisions of Companies Act, 2013 and rules made there-under on the subject, the same shall be duly incorporated in the policy document. Any modification/amendment in the policy document would be carried out by CSR Committee subject to approval of Board of Directors.

2. GUIDING PRINCIPLE

The term "Corporate Social Responsibility (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. The term generally applies to companies efforts that go beyond what may be required by regulators or environmental protection groups. Corporate social responsibility may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.

CSR is the process by which an organization thinks about and evolves its relationship with stakeholders for the common good, and demonstrate it's commitment in this regard by adopting an appropriate business processes and strategies. Thus, CSR is not charity or mere donations. CSR is a way of conducting business, by which corporate entities visibly contribute towards the use of resources to engage in activities that increase not only their profits but contribute to overall development of the environment in which they operate. They use CSR to integrate economic, environmental and social objectives with the company’s operation and growth.
3. CORPORATE INTRODUCTION

DMIC Integrated Industrial Township Greater Noida Limited has been incorporated under the Companies Act, 1956 as a Special Purpose Vehicle (SPV) constituted with equal shareholding of State Government of Uttar Pradesh represented by Grater Noida Industrial Development Authority (GNIDA) and the Central Government of India represented through National Industrial Corridor Development and Implementation Trust (NICDIT) (formerly known as DMIC Project Implementation Trust Fund).

The Integrated Industrial Township (IIT) is an initiative to drive manufacturing activity in the region in order to promote sustainable development. The township will act as a magnet to promote R&D activities, industrial and manufacturing activities in the Dadri-Noida-Ghaziabad Investment Region (DNGIR).

The Integrated Industrial Township is planned with the key objective to create a “knowledge based ecosystem” integrated with industries leading to innovation and economic development. The other prime objectives associated with the proposed Integrated Industrial Township are:

- Catalyst for fuelling the growth of Industrial Development of the Investment Region by attracting skilled human resource at the Integrated Industrial Township;
- Strengthening the status of Grater Noida and Noida as a manufacturing destination;
- Encouraging creation and growth of new businesses by fostering collaboration and innovation, along with enhancing the development, transfer, and commercialization of technology;
- Fostering collaboration between industries and existing/proposed educational institutes; and
- Promoting new industries with value addition to existing industries.

DMIC Integrated Industrial Township Greater Noida Limited (DMIC IITGNL/the Company) is committed to well-being of all stakeholders and not just shareholders and employees. DMIC IITGNL shall actively endeavor to continue socially responsible and shall undertake various Corporate Social Responsibility initiatives.

4. CSR VISION STATEMENT AND OBJECTIVE

4.1 Our mission is to improve quality of life of the community in which we operate through integrated development.

4.2 The Objectives of this policy is to:

- Promote a unified approach to CSR to incorporate the diverse range of the philanthropic activities under one umbrella, thus enabling maximum impact of the CSR initiatives.
• Ensure an increased commitment at all levels in the organization, to operate in an economically, socially and environmentally responsible manner while recognizing the interests of all its stakeholders.

• To directly or indirectly take up programmes that benefit the local communities in & around its area of operations and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.

• Encourage employees to participate actively in the Company's CSR and give back to the society in an organized manner through the employee volunteer programme.

• To generate, through its CSR initiatives, a community goodwill for DMIC IITGNL and help reinforce a positive & socially responsible image of DMIC IITGNL as a corporate entity.

• Inclusive growth of society with emphasis on development of weaker sections of society and in the backward districts of the country.

5. SCOPE AND APPLICABILITY

This policy shall be applicable to DMIC Integrated Industrial Township Greater Noida Limited.

6. POLICY STATEMENT

6.1 Core Ideology

For DMIC IITGNL, responsible business practices include being responsible for our business processes, products; and engaging in positive relations with employees, customers and the community. Hence for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances but create social and environmental value while supporting the Company's business objectives and reducing operating costs; and at the same time enhancing relationships with key stakeholders and customers.

6.2 Budget & Expenditure

a. The Company in every financial year (including the previous financial years 2014-15) shall commit such amount which the Board may approve based upon recommendation of CSR Committee provided that the committed amount shall not be less than the statutory prescribed amount i.e. 2% of the average net profits made during the three immediately preceding financial years specifically towards CSR initiatives. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

b. The expenditure on CSR and activities shall be at least 2% of the average net profits of the company made during the three immediately preceding financial years.
“Net Profit” means the net profit of a company as per its financial statements—prepared in accordance with section 198 of the Act or any other applicable provision, but shall not include the following namely:
  
  i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
  ii. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act

c. The efforts would be made that budget allocated for CSR and activities / projects planned for each financial year is spent within that year itself.

d. If due to some exceptional circumstances, the budget of a year remains unutilized /unspent, the reasons for not being able to spend the entire budget on CSR activities as planned for that year shall be part of Director’s Report. Further, the amount would not lapse. It would instead be carried forward to the next year for utilisation for the purpose for which it was allocated

e. Up to the certain percentage or amount as may be decided by the Board by the of the annual budget for CSR and activities may earmarked for Emergency needs, which would include relief work undertaken during natural calamities / disasters, and contributions towards Prime Minister’s / Chief Minister’s Relief Funds and/or to the National Disaster Management Authority etc.

f. The expenditure incurred on brochure, Surveying, Sustainability reporting, capacity building programme such as training, workshops, seminar etc. and on communication strategies for engagement of all stakeholders will be accounted for CSR.

g. CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee, but do not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

6.3 Allocation of Resources & Thrust Areas

As a responsible corporate entity, the Company will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of CSR and Sustainable Development and will manage CSR initiatives which meet the needs of the local communities where we operate. Our commitment to CSR will be manifested by investing resources in any of the following areas:

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 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;

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, 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;

- 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;

- Measures for the benefits of armed veterans, war widows and their dependents;

- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympics sports;

- 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 Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;

- Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

- Rural Development projects

- Slum area development

7. PLANNING OF CSR ACTIVITIES/ SELECTION OF PROJECTS:

The following parameters will be taken care of while planning of CSR activities and selection of projects thereof:

a. While selecting CSR activities / projects from the activities listed under the policy statement, DMIC IITGNL would give priority to the issues which are of foremost concern in the national development agenda, like safe drinking water for all, health and sanitation, education and skill development to eradicate unemployment etc. The main focus of CSR policy of DMIC IITGNL would be on sustainable development and inclusive growth, and to address the basic needs of the deprived, under privileged, neglected and weaker sections of the society.

b. In selection of activities, the focus would be on the projects having high social, economic and environmental impact.

c. As far as possible, DMIC IITGNL would take up the CSR activities in project, which entails planning the stages of execution in advance by fixing targets at different
milestones, with pre-estimation of quantum of resources required within the allocated budget, and having a definite time span for achieving desired outcomes.

d. CSR projects/activities should be undertaken in the periphery where DMIC IITGNL carries out its commercial activities as far as possible. Where this is not possible or applicable, DMIC IITGNL may choose to locate CSR projects anywhere in the country by providing justification in writing after the same is duly recommended by the CSR Committee and is approved by the Board of Directors.

e. Selection or choice of CSR projects will not be ad-hoc, onetime, philanthropic activities which do not contribute in any way to social value creation, environment protection or sustainable development.

f. DMIC IITGNL initiatives shall be focused on capacity building, skill development and infrastructure development for benefits of the marginalized and under privileged section of local communities and also in backward regions.

g. As per the sub-rule (3) of Rule 4 of Companies (Corporate Social Responsibility) Rules, 2014, for optimal use of resources, the Company may collaborate with other companies for undertaking projects or programmes which will have greater visibility, more number of beneficiaries and long term visible impact shall be preferred. It will act as an agency to ensure delivery of services satisfying strongly felt social, environmental and community needs rather than merely financing and funding of programmes.

h. CSR Plans shall also be required to clearly specify the implementation guidelines and the involvement of the implementing agency. The procedures and methodologies prescribed for monitoring would be required to be highlighted as well as the modalities of the concurrent and final evaluation. Finally, there shall be a clear specification regarding mandatory documentation of the experience.

i. Each of above mentioned plans would clearly specify requirements relating to baseline survey, activities to be undertaken, budgets allocated, time-lines prescribed, responsibilities and authorities defined and major results expected.

j. The approach of DMIC IITGNL towards CSR would be oriented to identify and formulate projects in response to felt societal & environmental needs in diverse areas and to implement them with full involvement and commitment in a time bound manner.

8. ACTIVITIES NOT COVERED UNDER CSR

a. The CSR activities do not include the activities undertaken in pursuance of normal course of business of DMIC IITGNL.
b. Activities and expenditure related to staff benefits will not count as CSR activities except salaries paid by the companies to regular CSR staff as well as to volunteers of the companies (in proportion to company's time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.

c. Also grants to organizations/ institutions that are not specifically Implementing CSR projects specified by DMIC IITGNL would not count as CSR.

d. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.

e. Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.

f. Expenses incurred by companies for undertaking activities which are established functions of the Government.

9. ORGANIZATIONAL STRUCTURE

The Company has constituted a CSR Committee to perform following functions:

a. Formulate and recommend to the Board the CSR policy which shall indicate the activities to be undertaken under CSR
b. Recommend the amount of expenditure to be incurred on CSR activities
c. Monitor the CSR policy from time to time the
d. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company
e. To consider recommend and approve various Schemes/Projects received for financial assistance as put up before it by the management for CSR after scrutiny;
f. To ensure receipt of Utilization Certificates along with statement of expenditure duly certified by an Authorized Auditor, from the organizations/institutions to whom CSR Fund is allocated;

The current composition of the CSR Committee is as follows:

a. Shri Narendra Bhooshan, IAS, CEO & MD (DIN: 02531065) : Chairman
b. Shri Krishna Kumar Gupta, IAS, Additional Director (DIN: 08227386) : Member
c. Shri Pradeep Kumar Agarwal, Director (DIN: 01683484) : Member
d. Shri Mahendra Prasad Garg, Independent Director (DIN: 07141212) : Member
e. Shri Abhishek Chaudhary, Director (DIN: 06817755) : Member

The company Secretary shall be secretary of the Committee.

The quorum shall be either two members or one-third of the total members, whichever is greater, but there should be a minimum of one Independent Director present.
10. IMPLEMENTATION AND EXECUTION

10.1 Implementation

a. The CEO shall be responsible for the implementation of the CSR Policy.

b. The CEO shall report to the Board in case the Company fails to spend minimum necessary amount, the CEO’s report to the Board shall specify the reasons for not spending the amount.

c. The Board of Directors will ensure that the activities included in the CSR policy are undertaken and complied with by the Company and confirm that the Company spends, in every financial year at least 2% (two percent) of the average net profits made during the three immediately preceding financial years and ensure that the Company gives preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

10.2 Executing Agency/Partners

In accordance with Rule 4 of the Companies (Corporate Social Responsibility) Rules, 2014, the CSR activities will be undertaken by the Company as per the Policy and the projects or programmes or activities, excluding activities undertaken in pursuance of its normal course of business.

Further, the CSR activities may be undertaken by Company through its own or subsidiary or associate company. The CSR activities may also be undertaken in collaboration with other companies where such collaborating companies are in a position to report separately as per the reporting requirements under the Companies Act, 2013 and Rules there under.

CSR initiatives will be undertaken by the Company with the active involvement of employees.

10.3 Monitoring

As monitoring of activities is of paramount importance, the CSR Committee shall keep a watchful eye on the implementation of the CSR projects or activities being undertaken.

The quarterly reports will be submitted by CSR Committee to the Board of Directors regarding the implementation progress on CSR activities.

10.4 Evaluation and Impact Assessment:

The CSR Committee shall be responsible for evaluation and impact assessment of the implementation of the CSR policy and the activities undertaken there under. However, if the committee recommends, the board may get the evaluation and
impact assessment of the activities done through a suitable independent External Agency.

While assessing CSR projects through specialized agencies, every possible effort would be made to verify the reliability and clean track record of such agencies and their selection would be done following the procurement guidelines as per the Company Policy, unless and until a special policy is evolved with Board's approval for CSR activities.

11. DOCUMENTATION AND REPORTING

a. The Company will include a separate report in its Annual Report reflecting the implementation of CSR activities in accordance with the Rule 8 of Companies (Corporate Social Responsibility) Rules 2014. The format of the report is placed as Annexure-I.

b. The Board’s report shall disclose the composition of the Corporate Social Responsibility Committee.

c. The CSR Committee shall issue a Responsibility Statement signed by Managing Director and Chairman of the CSR Committee

d. Documentation relating to CSR approaches, policies, programmes, major milestones etc would be prepared and included in the Internal Reports, brochures, newsletters etc. of the Company.

e. The policy on CSR and the activities carried out under it shall also be uploaded on the website of the Company (www.iitgnl.com). Efforts will be made to make the whole process transparent as far as possible.

12. GENERAL/AMENDMENT

a. The policy will be subject to changes as per the provisions of Companies Act, 2013 and rules made there under.

b. The modification/amendment in the CSR policy will be approved by the Board of Directors as and when recommended by the Board CSR Committee.

c. The Policy would serve as the Referral document for planning and selection of CSR activities. However, in case of any doubt/issue, cross reference to the Companies Act 2013 and corresponding rules is advised to avoid any inconsistency with the latter.