



**NLDS**

NICDC LOGISTICS DATA SERVICES LTD

*Logistics Redefined*

**NICDC LOGISTICS DATA SERVICES LIMITED**

*(FORMERLY KNOWN AS DMICDC LOGISTICS DATA SERVICES LIMITED)*

***CORPORATE  
SOCIAL  
RESPONSIBILITY  
POLICY***

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## 1. OBJECTIVE:

- (i) Contributing actively in the social, environmental and economic enhancement and creating a broad and structural impact leading to sustainable development of the Country;
- (ii) Ensuring the compliance of Section 135 of the Companies Act, 2013 Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereof & other applicable provisions if any, in respect of statutory requirements under Corporate Social Responsibility;
- (iii) Providing adequate Mechanism for orderly implementation, monitoring and reporting of the CSR activities.

## 2. Definitions:

In this Policy unless the context otherwise requires:

- a) "**Act**" means the Companies Act, 2013;
- b) "**Administrative overheads**" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- c) "**Corporate Social Responsibility (CSR)**" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the activities undertaken in pursuance of normal course of business of the company;
- d) "**CSR Committee**" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act;
- e) "**CSR Policy**" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- f) "**Net Profit**" means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, 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;
  - ii. Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:
- g) **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

*Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.*

### 3. **SCOPE:**

The CSR activities of the Company will cover one or more of the focus areas as notified under Schedule VII of the of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014 as amended from time to time, including the following:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care 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;
- 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 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 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;
- v. 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 art and handicrafts;

- vi. measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependent including widows;
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- viii. contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
 (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
- x. rural development projects;
- xi. slum area development;  
 Explanation.- For the purposes 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.]
- xii. disaster management, including relief, rehabilitation and reconstruction activities.

#### **4. CSR COMMITTEE:**

The CSR Committee will be constituted as per the provisions of Section 135 of the Companies Act, 2013.

#### **Terms of Reference of the CSR Committee**

- (a) *Quorum*: Quorum shall be two members personally present at the meeting.
- (b) *Voting at the meeting*: No one other than the CSR Committee Chairman and other members is entitled to vote at the meeting of the CSR Committee.

- (c) *Secretary*: The Company Secretary shall act as the Secretary of the CSR Committee.
- (d) *Meetings*: Meetings shall be held at such times as the CSR Committee deems appropriate.

## **5. RESPONSIBILITIES OF THE CSR COMMITTEE**

- Formulating and recommending to the Board, a CSR policy and the activities to be undertaken,
- Recommending the amount of expenditure for the CSR activities,
- Monitoring CSR policy from time to time.

## **6. RESPONSIBILITIES OF BOARD OF DIRECTORS**

- Approving the CSR policy formulated by the CSR Committee after considering the recommendations of the CSR Committee;
- Ensuring that the CSR activities as included in the CSR policy are undertaken by the Company;
- Ensuring that the CSR policy is displayed on the website of the Company;
- Ensuring that the Company spends at least two percent of the average net profits made during immediately preceding financial years.
- Ensuring that preference shall be given to the local areas where the company is operating for undertaking the CSR activities.
- Ensuring that necessary disclosures are made in its report which shall include the names of CSR Committee members and ensuring the reporting of the CSR activities on company website.

## **7. CSR BUDGET /SPENDING'S/EXCLUSIONS/UNSPENT AMOUNT**

- a. A specific budget shall be allocated for CSR activities and it shall not be less than 2% of the Average Net Profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.
- b. The CSR projects or programs or activities shall be undertaken only in India.
- c. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- d. The Company may build CSR capacities of its own personnel as well as those of its Implementing Agencies but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in any one financial year.

e. The following activities shall not be included for CSR activities:-

- Activities undertaken in normal course of business,
- Activities undertaken outside India,
- Contribution to any political party,
- Activities benefiting only for employees of the Company, and
- Activities not covered within Schedule VII of the Companies Act 2013.

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Board Report for that particular financial year and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year].

[Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.]

Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

## **8. IMPLEMENTATION/MODE OF EXECUTION**

1) The Board shall ensure the CSR activities are undertaken by the company itself or through: -

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
  - (c) any entity established under an Act of Parliament or a State legislature; or
  - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- 2) The company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
  - 3) The company may also collaborate with other companies for undertaking projects or programmes 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 programmes in accordance with these rules.
  - 4) The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
  - 5) In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.” c. Collaboration with other companies in such manner that the CSR Committees of respective companies are in a position to report separately on such CSR activities in accordance with CSR Rules.

## 9. MONITORING & REPORTING OF CSR ACTIVITIES

- (a) CSR Committee shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company and report to the Board on a regular basis the progress of CSR activities.
- (b) The Board's report shall include the following particulars:
  - A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs;
  - The composition of the CSR Committee;



- Average net profit of the company for last three financial years;
- Prescribed CSR Expenditure (2% of the amount of the net profit for three immediately preceding financial years);
- Details of CSR spent during the financial year;
- In case the company has failed to spend 2% of the average net profit of three immediately preceding financial years, reasons thereof;
- 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.

#### **10. AMENDMENTS TO THE CSR POLICY**

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the CSR Rules by the MCA, under the Act.