

# **Corporate Social and Sustainability Policy**

## **(CSR Policy)**

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**Indian Railway Stations Development Corporation Limited**

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# **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY FOR INDIAN RAILWAY STATIONS DEVELOPMENT CORPORATION LIMITED**

## **1. INTRODUCTION**

Projects to be under taken by IRSDC are an outcome of the need of the society and therefore these projects have to co-exist having due respect for society and environment. Projects are deemed to utilize the public resources and therefore it becomes prime obligation of the IRSDC to optimally utilize and compensate the society in best possible manner. These projects and business activities have direct impact on the economic, health, lifestyle, and livelihood of the people surrounding the project. In order to have structured inclusive growth there is a need for structured approach on the project on the CSR activities which are sustainable as well. These projects are regulated in India by statutory requirement by inclusion of CSR Activity as mandatory reporting through the Company's Act. The sustainability matters are part of the CSR Policy as per schedule VII of the Companies Act. In view of this CSR cum Sustainability Policy document together named as Corporate Social Responsibility Policy (CSR Policy) of IRSDC covers the CSR Strategies and policies, objectives, implementation mechanism, measuring and reporting systems and compliance mechanisms as per Company's Act requirements.

The Vision and Mission statement of the company is reproduced below which also covers the aspect of Corporate Social responsibility and Sustainability.

- **VISION**

To be a leading organization in the field of development, redevelopment, operation and maintenance of railway stations with passenger amenities of international standards.

- **MISSION**

To develop **self-sustainable** railway stations in the country with high standards of safety, comfort, user friendly passenger amenities, value added services and efficiency by adopting the best technological practices, sound financial strategy and optimum utilization of resources.

IRSDC has adopted a proactive approach in preparation of the Corporate Social Responsibility cum Sustainability Policy at enterprise level so that its resources are aligned to adopt the business activities which are economically, socially and environmentally sustainable and implementable on ethics through transparent mechanism.

## **2. CSR STRATEGY AND POLICY**

1. Corporate Social Responsibility (CSR) is the IRSDC's commitment to its stakeholders which include IRSDC employees, investors, shareholders, customers, business partners, civil, society groups, government and nongovernment organizations, local communities, environment and society at large to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.
2. The thrust of CSR is on capacity building, inclusive socio-economic growth, environment protection, green technologies, upliftment of the marginalized and under privileged sections of the society.
3. IRSDC shall promote projects that are :
  - Sustainable and create a long term change;
  - Have specific and measurable goals in alignment with IRSDC Vision and Mission;

- To establish process and mechanism for the implementation and monitoring of the CSR activities for IRSDC.

Regardless of the exact approach taken, it should follow the **SMART** guidelines:

- **S**imple
- **M**easurable
- **A**chievable
- **R**eliable
- **T**ime-bound

### **3. CSR COMMITTEE**

- 3.1 The CSR Committee of the Board of Directors (Board) shall comprise of three (3) Directors to be decided by BoD. Members of the CSR Committee may be replaced by any other member of the Board.
- 3.2 The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities.
- 3.3 Under the CSR Committee, a Nodal Officer shall be appointed by MD&CEO, who will be assisted by the Team of Officers.. Nodal Officer shall co-ordinate all the CSR activities at all stations in line with the policy directives and regularly submit the progress report activities to the Board level.

### **4. RESPONSIBILITY OF THE BOARD**

- 4.1 Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR committee.
- 4.2 Ensure the CSR spending every financial year in pursuance with the Policy directive as per Company's Act 2013 and subsequent amendment.
- 4.3 Ensure that CSR activities included in the CSR Policy are undertaken by the company and that such activities are related to the activities specified in Schedule VII of the Companies Act.
- 4.4 Ensure disclosure of the contents of the CSR Policy on the company's website.
- 4.5 Directors' Report to include:
  - (a) Contents of the CSR Policy and Composition of the CSR committee;
  - (b) An annual report on the CSR in the prescribed format as per **Annexure-II**;
  - (c) Reasons for unspent amount (if any) on CSR activities.

### **5. DUTIES & RESPONSIBILITIES OF CSR COMMITTEE**

- 5.1 Formulate and recommend to the Board the CSR policy which shall indicate the activities/programs to be undertaken by the company. Review of the CSR activities to be undertaken by the Company.

- 5.2 The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Companies Act, 2013. Activities may be revised in line with any amendments/inclusions made to Schedule VII of the Companies Act.
- 5.3 Recommend the CSR Expenditure to be incurred on the CSR activities/programs.
- 5.4 Monitor the Corporate Social Responsibility Policy and implementation of the CSR projects/activities approved by the company from time to time.
- 5.5 Prepare an Annual Report of the CSR activities undertaken for IRSDC and submit such report to the Board.

## **6. CSR EXPENDITURE**

- 6.1 From the financial year of meeting the mandatory requirement stipulated by Companies Act, 2013, every financial year, the company shall spend a minimum of 2% of its average Net Profits made during the immediately preceding three (3) financial years or as per latest amendment by the Company's Act 2013. Average Net profits shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the applicable provisions of the Act, Net Profits shall exclude (a) profits arising from any overseas branch or (b) dividend received from other companies in India. Budgeting will be approved by the CSR Committee.
- 6.2 CSR Expenditure shall mean all expenditure incurred in respect of specific projects/ programs relating to the approved CSR activities placed in **Annexure- III**.
- 6.3 CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- 6.4 The surplus arising out of the CSR activities or projects shall not form part of the business profit of IRSDC. All kinds of income accrued to the company on account of CSR activity is credited back to the community or CSR corpus.

## **7. CSR PROJECTS**

### **7.0 Key areas for selection of CSR- activities:-**

- 7.1 Keeping the main objective in view the following key areas are identified for implementation of CSR activities as per Schedule VII of the Companies Act, 2013:-
  - (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 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, agro forestry, 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 public libraries, promotion and development of traditional arts and handicrafts;

(vi) measures for the benefit of armed forced veterans, war widows and their dependents;

(vii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

(viii) contribution to prime minister's 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 schedule 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.

**However, the focus areas of IRSDC for CSR activities/ projects will be:**

- A) Education & Literacy
- B) Environment Sustainability
- C) Health
- D) Livelihood creation – vocational training/help in formation of trust etc.

7.2 The CSR activities shall be undertaken in locations within India. IRSDC has a multi-state presence within India and CSR activities will be undertaken on priority in the project influence area or city/state as the case may be.

## **8. IMPLEMENTING CSR ACTIVITIES**

8.1 The day to day implementation and execution of the CSR activities/projects shall be co-ordinated by a **Nodal Officer appointed by MD&CEO IRSDC as per Annexure- IV**

8.2 The CSR Projects/ Activities shall be implemented in three ways as under:-

- A) By In house mechanism -IRSDC
- B) Through Non- Governmental Organisations/Foundations and etc
- C) Through Govt. bodies

Every Project will specify the Intended Objectives, measurable results, implementation strategy indicating the starting date, date of completion, Monitoring mechanism and reporting procedure with Outcomes.Such implementing agencies shall have an established track record as prescribed under the law.

- 8.3 The following activities do not qualify as CSR Activities under the Companies Act, 2013:
- (a) Projects or activities not falling within Schedule VII;
  - (b) Activities undertaken in pursuance of normal course of business;
  - (c) Projects or programs or activities that benefit only the employees of IRSDC and their families
  - (d) Direct or indirect contribution to any political party.

## **9. MONITORING STRATEGY FOR CSR PROJECTS / ACTIVITIES**

The projects shall be monitored as per the strategy detailed in **Annexure – V**

## **10. IMPACT ASSESSMENT STUDY**

IRSDC will undertake Impact assessment study of Projects implemented under its CSR programme through an independent agency after completion of the project so as to assess the effect of CSR implementation. The evaluation must always be assigned to an independent external agency for the sake of objectivity and transparency. While engaging or partnering with external agencies, care will be exercised in selecting only such specialized agencies which have the necessary capabilities and expertise to evaluate the CSR projects. The credentials of reliability, integrity and professional competence of such agencies shall also be verified. Specialized agencies may include Government / semi-Government, or non-government organizations (NGOs), professional consultancy organizations, registered Trusts, academic institutes, etc. Engagement of external specialized agencies / NGOs is at the discretion of the Company.

## **11. CSR REPORTING & DISCLOSURE**

- 11.1 The Board in its Annual Report shall include the details of the CSR activities undertaken in the Financial Year. The particulars to be stated in the report shall be in the format prescribed in **Annexure-II**.
- 11.2 IRSDC shall display on its website ([www.IRSDC.com](http://www.IRSDC.com)) the contents of its CSR Policy and other information as may be required to be displayed.

## **12. AMENDMENTS**

The Policy may be reviewed and amended from time to time.

**CSR ACTIVITIES LISTED IN**  
**SCHEDULE VII OF THE COMPANIES ACT, 2013**

CSR shall focus on social, economic and environmental impact rather than mere output and outcome. Activities which are ad hoc and philanthropic in nature shall be avoided. Various activities that can be undertaken in general under CSR are outlined below:

1. Eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
2. Promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects ;
3. Promoting gender equality and 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;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of quality of soil, air and water;
5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, and Paralympics sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
10. Rural development projects;
11. Slum area development.



## Annexure-II

### FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD REPORT

1. A brief Outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programmes.
2. The composition of the CSR committee.
3. Average net profit of the company for last three financials years.
4. Prescribed CSR Expenditures (two percent, of the amount as in item 3 above).
5. Details of CSR spent during the financial year.
  - a) Total amount to be spent for the financial year.
  - b) Amount unspent, if any.
  - c) Manner in which the amount spent during the financial year is detailed below:

S. No	1	2	3	4	5	6	7
	CSR project/activity identified	Sector in which the project is covered	Projects/Programmes i)Local areas/others  ii)Specify the state/district where projects are undertaken	Amount outlay (budget) project/programme wise	Amount spent on the programme/project. <b>Subheads:</b> i.Direct expenditure on projects ii.Over heads	Cumulative spend upto the reporting period	Amount spent Direct or through implementing agency*

\* Give details of Implementing Agency

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. 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.

**CSR PROJECTS**

1. Education & Literacy

1.1 Education

- a) Construction / repair of school buildings, including drinking water facility & girls toilets
- b) Distribution of school uniforms, stationery, and etc, to the needy students.
- c) Provision of Scholarship to the needy students for promoting education.
- d) Reducing the drop out of students & absenteeism through counseling.
- e) Improving primary education by "Skill Targeted Academic Growth" Programme. (STAG).
- f) Promoting computer literacy.
- g) Promoting primary education for slum kids/girls/middle aged men and women folks.

1.2 Vocational Training Programmes for youth

- a) Setting up Vocational training classes for various target groups.
- b) Formation of youth groups (un- employed youth), ladies group etc. for imparting Entrepreneurship, and leadership & employment related training.
- c) Assisting them to get employment / generate income after the training

1.3 Literacy Centers

- a) Formation of Woman Self Help Groups (SHGs) areas.
- b) Establishment of Literacy centers with intention of Making every man/woman to read, write and able to count the numbers near the project area.

1.4 Health and Hygiene

- a) Imparting talks on good hygiene and distributing hygiene materials in the nearby areas/villages, importance of vaccination.
- b) Making arrangement/facilitating arrangement of potable water in area/villages.
- c) Organizing health checkup camps.

2. Environment Sustainability

- a) Educate the community to use solar energy, smoke fewer stoves, importance of recycle materials.
- b) Tree Plantation of Fruit bearing plants.
- c) Installing solar lights in common areas and public places near the project area/villages.

**PLANNING & IMPLEMENTATION STRATEGY**

The CSR Projects/ Activities shall be implemented in three ways as under:-

- A) By In house mechanism -IRSDC
- B) Through Non- Governmental Organisations/Foundations and etc
- C) Through Govt. bodies

Every Project will specify the Intended Objectives, measurable results, implementation strategy indicating the starting date, date of completion, Monitoring mechanism and reporting procedure with Outcomes.

The methodology of implementation shall be as follows:-

**A) By In-house mechanism- IRSDC**

- i) Some activities can be implemented by IRSDC itself either directly or by aligning with specialized agency.
- ii) The activities which cannot be taken up by IRSDC because of its nature, size and other limitations, shall be considered for implementation through other alternatives.
- iii) For the purchase of materials connected with CSR activity, a local purchase committee shall be constituted to carry out the purchases as per the purchase procedure depending upon the value of the purchases.

**B) Through NGOs / Foundations/Trusts:-**

- i) The Long term proposals of the CSR Projects targeting on Holistic development of area/village in a given time line require dedicated integrated team work for implementation.
- ii) The NGOs/Foundations/Trusts shall be identified based on their credentials and long standing performance in respective fields with proven performance
- iii) NGOs may also come forward on their own with specific proposals in the field of their expertise, within the purview of CSR Policy. Such proposals should be complete in all respects and supported by their credentials and capabilities.
- iv) Every claim/installment of NGOs for the work completed should be supported by proper bills and receipts / documents in support of the claim.

**C) Through Govt. Authorities**

- i) The CSR works which cannot be taken up by IRSDC directly or through NGOs /Voluntary Organizations/Trusts/ Contractors due to various reasons/constraints shall be carried out with the help of respective Govt. Authorities.
- ii) The Govt Authorities may also submit specific CSR proposals. In such cases, IRSDC may release funds to the respective authorities for initiation and implementation, provided the schemes match with that of IRSDC.

**MONITORING STRATEGY**

All CSR Projects/Activities shall be monitored directly or indirectly by IRSDC. The monitoring strategy shall be as under:-

**A) Projects directly taken up by IRSDC -**

- i) The CSR Projects taken up by IRSDC or through external specialized agency shall be monitored directly by the team constituted by CSR Committee.
- ii) The award of contract for CSR works shall be finalized within the time frame set by the MD & CEO IRSDC for timely initiation of the activity. Release of funds to contractors shall be defined in the work order itself.
- iii) 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 monitored jointly by IRSDC and respective organizations. A team and format shall be prepared jointly by both IRSDC and Organization for this purpose.
- ii) The periodicity of joint monitoring shall also be decided by both the parties together. At times, any official from IRSDC or any other department of the Project / HO may also independently review the performance by visiting the sites.
- iii) Release of funds after commencement of the activity shall be invariably linked to the report submitted by joint monitoring team against the set targets till date.
- iv) In-case, the progress, as per the joint monitoring team is not as per the target and proportionate to the funds released, The CSR committee of IRSDC and one member from the respective NGO/Trust/VSO shall review the progress and submit the report/recommendations.
- v) Release of funds shall be made after fulfilling the targets, proportionate to the funds released earlier after its implementation in the given time frame.

**C) Through Govt. Authorities at the respective Projects-**

- i) The Projects taken up through Govt. Authorities shall be monitored by both IRSDC and the respective departments either jointly or independently.
- ii) Finance shall be provided by IRSDC in suitable installments. After release of the first installment for initiation of the work, further release of fund shall be based on progress of the work /utilization certificate submitted by the respective Agency.