

# TAMILNADU SMALL INDUSTRIES DEVELOPMENT CORPORATION LIMITED

## CSR POLICY

### 1. PREAMBLE

This Policy is called the "Tamilnadu Small Industries Development Corporation Limited's Corporate Social Responsibility Policy" (TANSIDCO's CSR Policy) framed pursuant to the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014.

### 2. Objectives

TANSIDCO is committed to do business by adding value to the community and society on a sustainable basis through responsible practices and governance.

TANSIDCO will undertake CSR within the overall ambit of the provisions contained in section 135 of the Companies Act, 2013 and the Rules framed thereunder.

### 3. Responsibilities of the Board

The Board of TANSIDCO will be responsible for:

- Approving the CSR Policy as formulated by the CSR Committee,
- Ensuring that in each financial year the Company spends at least 2% of the average net profits before taxation during the three immediate preceding financial years,
- Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively and regularly monitoring implementation.
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.
- Ensuring annual reporting of CSR Policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.

### 4. CSR Committee

#### Composition

TANSIDCO will have a Board level Sub-Committee hereinafter referred to as CSR Committee consisting of one non executive independent director, two non executive directors and one executive director (CMD/MD) as members of the Committee.

#### Chairman

CMD/MD shall be the Chairman of the Committee. In the absence of CMD/MD the other members may elect one of themselves to be the Chairman of the Committee.

#### Meetings

The Committee shall meet at such intervals as it deems fit to carry out the objects set out in the policy.

**Quorum**

The quorum for the meeting will be three members.

**Minutes**

The minutes of the meeting shall be signed by the Chairman of the Committee of the same or the next meeting.

**Role/responsibilities**

The role/responsibilities of the CSR Committee include:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013.
- b) Recommend the amount of budgeted expenditure to be incurred on the activities referred to in clause (1) above.
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.
  - Institute a transparent monitoring mechanism for implementation of the CSR projects/programs/activities
  - Monitor implementation of CSR activities on quarterly basis.
  - Approve programs / projects / activities to be undertaken by the Company in pursuance the approved CSR policy.

**5. CSR Activities:**

TANSIDCO will implement its CSR activities in accordance with section 135 the Companies Act, 2013 and Rules notified there under. TANSIDCO's CSR focus areas will be projects/programs/ activities in the areas of:

- a) Employment enhancing vocation skills
- b) Health Care and sanitation
- c) Environmental Sustainability
- d) Projects/programs/activities in areas other than the above and within the provisions of Schedule VII of the Companies Act, 2013.

**6. Annual CSR Budget**

In alignment with the Companies Act, 2013 the Company shall earmark as CSR Budget every year, at least 2% of the average of net profits of the company made during the three immediately preceding financial years.

CSR expenditure shall include all expenditure for implementing CSR projects, programs and activities approved by the Board on the recommendations of the CSR Committee.

The unspent amount will be carried forward and utilized for implementing CSR projects, programs and activities.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company.



## **7. Modalities of Implementation of project and programs.**

A baseline / need assessment survey will be done prior to the selection of any Corporate Social Responsibility activity either in-house or by engaging an external agency.

CSR projects /programs/ activities will be implemented either directly by the Company or through implementing partners/specialized agencies. The minimum eligibility criteria of an implementing partner are as follows:

- a. It must be a registered society, trust, company or any specialized agency having minimum three years of experience post registration in handling activities of similar nature.
- b. Experience of working with any Government Body or Public Sector Enterprise will be preferred. However the selection authority can request any other qualification on a mandatory basis from the applicants while selecting the implementing partners.
- c. The implementing organisations contracted by TANSIDCO, if any, for CSR activities shall submit progress reports on regular basis to the Corporation. At the end of the contract period, each organization would be required to submit a full completion report, statement of accounts and utilization certificate within three months of the completion of the project duly certified by the Auditors of the organization or any firm of Chartered Accountants.

TANSIDCO may also undertake CSR activities in collaboration with other companies in such manner that the CSR committees of the respective companies are in a position to report separately on such projects or programs in accordance with these rules.

## **8. Monitoring and Evaluation Process**

The administration of the CSR Policy and the implementation of identified CSR projects, programs and activities shall be carried out under the overall superintendence and guidance of an internal monitoring group formed for this purpose from time to time.

CSR Committee will monitor the implementation of the CSR Policy through periodic reviews of the activities carried out under CSR Policy.

An impact assessment study of the Corporate Social Responsibility activities / projects will be made in-house. However, for mega projects, the threshold value of which can be determined by the Board, the impact assessment study shall be undertaken by external agencies.

The expenditure incurred on baseline survey and impact assessment study should be within the overall limit of 5% of administrative overheads of Corporate Social Responsibility spend as provided for under the Corporate Social Responsibility Rules.

## **9. CSR Reporting**

The CSR Committee shall prepare the annual CSR report containing particulars as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and recommend to the Board for approval.

## **10. Power to revise /amend the CSR Policy**

The effectiveness of the CSR Policy will be monitored and reviewed by the Board to ensure the Company's continuing compliance with any relevant legislation and to identify areas in need of improvement.

The provisions of this CSR Policy would be subject to revision/ amendment by the Board of Directors of the Company based on the recommendations of CSR Committee.

**Managing Director  
TANSIDCO**