



**CORPORATE
SOCIAL
RESPONSIBILITY
POLICY**

REHABILITATION PLANTATIONS LIMITED

PUNALUR -691 305



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1. INTRODUCTION

1.1. Corporate Social Responsibility (CSR) was usually considered as a philanthropic activity in India prior to the notification of Section 135 of the Companies Act, 2013. Ours is the first country to make CSR activities mandatory through a statute to spend a portion of the net profit of the corporate citizens to meet its social responsibility.

1.2. The new Act made it mandatory for every company having net worth of ₹ 500 Crores or more or turnover of ₹ 1000 Crores or more or a net profit of ₹ 5 Crores or more during any financial year to constitute a Corporate Social Responsibility Committee of the Board and to spend at least 2% of its net profit for CSR activities. The Companies (Corporate Social Responsibility Policy) Rules, 2014 lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Companies Act, 2013.

1. 3. This policy lays down the guidelines and mechanism for undertaking socially useful projects and programmes for welfare & sustainable development of the local community at large.

1. 4. In coalition with vision of the company, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

2. DEFINITIONS

“Act” means the Companies Act, 2013

“Company” means Rehabilitation Plantations Limited

“Board” means Board of Directors of the Company



“CSR” means and includes but is not limited to :- (i) Project or programs relating to activities specified in Schedule VII of the Companies Act, 2013; or Projects or programs relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this policy.

“CSR Committee” means Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013.

“Net Profit” means the net profit of the Company as per the financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, 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 Companies Act, 2013.

“Rules” means the Companies (Corporate Social Responsibility) Rules, 2014

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the meanings respectively assigned to them therein.

3. CSR POLICY REQUIREMENTS AS PER THE COMPANIES ACT, 2013 AND NOTIFIED RULES

It may be noted that the term “CSR Policy” as used in the Act and the Rules notified on February 27, 2014 requires the following to be included:

- a) “A list of CSR projects or programs which a company plans to undertake falling within the purview of Schedule VII of the Act, specifying modalities of execution of such projects and programs and implementation schedules for the same; and
- b) Monitoring process for such programs provided that the CSR activities shall not include the activities undertaken in pursuance of normal course of business of the company.



The surplus arising out of CSR projects or programs or activities shall not for a part of the business profits of a company.”

4. CSR COMMITTEE

4.1. Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR committee shall be appointed by the Board of Directors of the Company which must consist of two or more Directors.

4.2. Powers of the Committee

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- (ii) Recommend CSR activities as stated under Schedule VII of the Act
- (iii) Recommend the CSR Budget
- (iv) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of the Company in accordance with the Act and the Rules
- (v) Create transparent monitoring mechanism for implementation of CSR Initiatives.
- (vi) Submit Reports to the Board in respect of the CSR activities undertaken by the Company
- (vii) Monitor CSR Policy from time to time
- (viii) Monitor activities of Implementing Partners who are authorized to ensure that the CSR activities of the Company are implemented effectively
- (ix) Authorize executives of the Company to attend the CSR Committee Meetings
- (x) Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

4.3. Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet at least once in 6 months. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be two members. The Members of the Committee



may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.

5. ROLE OF THE BOARD

The role and responsibility of the Board shall include:

- Approval of CSR policy after taking into account the recommendations of the CSR Committee.
- Ensure that the contents of the CSR policy in Board's report and are displayed on website of the Company in the manner prescribed under the applicable statute.
- Ensure that the CSR activities are undertaken and executed by the Company as per this CSR policy and the applicable laws.
- Specify the reasons if the required amount is not fully spent in CSR activities in the Directors' Report

6. LIST OF CSR ACTIVITIES/PROJECTS

The Company shall undertake any of the following Activities/Projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of its Corporate Social Responsibility:-

- (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, agroforestry, 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 forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- (viii) 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 Scheduled Castes, the Scheduled 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.
- (xi) Slum area development.
- (xii) Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act as amended from time to time. (Collectively hereinafter referred to as “CSR Activities”)

The CSR Activities shall be undertaken only in India for the benefit of the public and not only for the employees of the Company and their family. Preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.



7. CSR BUDGET

The Act mandates companies meeting the qualification criteria to allocate at least 2% of its annual net profits (before tax) during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

7.1 CSR Expenditure

Net profit means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

7.2 Expenditure on CSR capabilities

The Company may build CSR capacities of their own personnel as well as of their Implementing Agencies through Institutions with established track record of at least 3 financial years but such expenditure including expenditure on administrative overheads shall not exceed 5% of the total CSR expenditure of the Company in one financial year as stated in the Rules from time to time.

7.3 Failure to spend the CSR Money

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 Directors' Report for that particular Financial Year. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.



8. ANNUAL CSR PLAN

In accordance with Schedule VII of the Act and the Rules, the Company shall undertake CSR activities included in its Annual CSR Plan as recommended by the CSR Committee each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review. Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company:

- Tailor-made CSR projects depending upon allocated spend
- CSR Budget
- Implementing Partner
- Project Proposals
- Targeted Beneficiaries & their key needs
- Alignment with Schedule VII
- Project Goals and milestones
- Activities and Timelines including expected closure dates
- Monitoring mechanism
- Progress reporting and frequency of reports
- Any other information as may be required by the CSR Committee

9. IMPLEMENTATION OF CSR ACTIVITIES

9.1. The Company may undertake CSR Activities through a registered trust or society or any company, established by the Company, its holding or subsidiary Company under Section 8 of the Act for such non-for-profit objectives or through such other institutions having an established track record of 3 (three) years in undertaking the CSR Activities.



9.2. The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Rules.

9.3. The scope of this policy will extend to activities as stated under Schedule VII of the Act as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose.

9.4. If the Company fails to spend the amount stated hereinabove then reason for not spending shall be stated in the Directors' Report.

9.5. CSR programmes will be undertaken by various work centers i.e. Corporate office, units and other business places of the Company in India within the defined ambit of the identified Project/ Program.

9.6. The duration of a particular programme will depend on its nature, extent of coverage and the intended impact of the programme.

9.7. Identification of project will be done by means of the following:

(a) Need identification Studies by the Senior Management/ professional institutions/agencies.

(b) Internal need assessment by cross-functional team at the local level.

(c) Receipt of proposals/requests from District Administration/local Govt. etc.

(d) Suggestions from the Board of Directors/senior management level.

9.8. Project based approach: The Company may follow a project based accountability approach to stress on the long term sustainability of CSR projects



10. MONITORING MECHANISM

10. 1. A Joint Working Group comprising of employees of the Company and representatives of entities with which the Company decides to collaborate for fulfilling its CSR obligations, will be created to ensure effective implementation and monitoring of the projects approved by the CSR Committee.

10. 2. The Joint Working Group will submit periodic reports to the CSR Committee of the Company on the progress of the various projects approved by the Committee and entrusted to the JWG for implementation and monitoring.

11. EXCLUSION

11.1. The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.

11.2. The Company shall not make any payment directly or indirectly to Political Party for CSR Activities.

11.3. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

11.4. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

12. CSR REPORTING

The format of the Annual Report on CSR activities that is to be included in the Board's Report shall be in the format prescribed under the CSR Rules which is as follows:-

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.



3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent 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:-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project/activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other (2) Specify the State and District where the projects or programs was undertaken	Amount outlay (budget) project program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1							
2							
3							
4							
5							
Total							

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent 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.

Sd/-
(Chief Executive Officer or
Managing Director or Director)

Sd/-
(Chairman CSR Committee) (Person specified
under clause (d) of
sub-section (1) of
section 380 the Act)
(wherever applicable)

13. PUBLICATION OF CSR POLICY AND PROGRAMS

As per the Rules, the Board shall disclose contents of the CSR Policy in its report and the same shall be displayed on the Company's website.

14. CONTINGENCY

Certain projects/activities which are not approved by the Board but are required to be implemented on an urgent basis in unforeseen circumstances relating to Natural calamity can be taken up for implementation after approval from CSR committee and the Chairman. The Board of Directors would be appraised about such projects/activities during their next meeting.

15. GENERAL

15. 1. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, reference is to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

15. 2. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

15. 3. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

Revision History: