

DELHI INTEGRATED MULTI MODAL TRANSIT SYSTEM LTD CORPORATE SOCIAL RESPONSIBILITY POLICY

Our Vision

The aim of this Policy is to set guiding principles for carrying out CSR activities by the Company and to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

The Policy shall apply to all CSR initiatives and activities to be undertaken by DIMTS:

- (i) directly by DIMTS on its own; or
- (ii) through external agencies, i.e. a company established under Section 8 of the Companies Act, 2013 or a registered public trust or a registered society, having the requisite track record of 3 years in the relevant project/programme and registered under Section 12AB and 80G of the Income Tax Act 1961. The agencies, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with Registrar of Companies (ROC). Or Both as above (i) & (ii).

Company's Philosophy on CSR

This policy, which encompasses the company's philosophy for delivering its responsibility as a corporate citizen and lay down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. It has been prepared keeping in mind the company's business ethics and to comply with the requirements of Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, notified by the Ministry of Corporate Affairs (MCA) vide Notification dated January 22, 2021.

CSR Committee

CSR Committee of the Board of Directors ("Board") would consist of 3 or more directors. There is no Independent director in the Board as the company is not required to appoint under Section 149(4) of the Companies Act. 2013.

DIMTS approved the constitution of a three-member Corporate Social Responsibility (CSR) Committee of the Board or as may be prescribed under the Companies Act, 2013 and rules made thereunder. The Committee shall hold meeting as and when required to discuss various issues on implementation of the CSR policy of the Company.

The Committee, as mandated under Section 135(3) of the Companies Act, 2013, shall-

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the DIMTS as specified in Schedule VII of the Companies Act 2013;
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in Section (a);
- (c) Monitor the Corporate Social Responsibility Policy of the Company from time to time;

- (d) Recommend the Board on the guiding principles for selection, Implementation and monitoring of CSR activities.
- (e) Formulate and recommend to the Board, an annual CSR action plan in pursuance of its CSR policy, which shall include the following namely:
- (i) the list of CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) the manner of execution of projects or programmes;
 - (iii) the modalities of utilization of funds and implementation schedule for the projects or programmes;
 - (iv) the monitoring and reporting mechanism for the projects or programmes; and
 - (v) the details of need and impact assessment, if any, for the projects undertaken by the Company;
- (f) The amount so recommended shall not be lesser than 2% of average net profit made during the three immediately preceding financial years.
- (g) Annually report to the Board, the status of the CSR activities and contributions made by DIMTS;
- (h) Such other functions as may be delegated and /or assigned by the Board from time to time.

CSR Activities

1) DIMTS's CSR activities would be in the form of well-defined projects or programmes, the outcomes of which would be amenable to objective measurement and/or assessment.

2) Companies Act, 2013 lists out activities which may be included by companies in their corporate social responsibility activities. The said activities include the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation including contribution to the Swach 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/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 & 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 benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects;
- Slum area development;
- Disaster management, including relief, rehabilitation and reconstruction activities;

The CSR projects or programs or activities shall be undertaken by the Company as per the Company's CSR Policy for the benefit of the public.

3) DIMTS would primarily focus on CSR activities promoting the development of –

- livelihoods
- social infrastructure such as healthcare and education; and
- other infrastructure that would meet the objectives of inclusion and environmental sustainability such as water supply, sanitation, sustainable urbanization, public access and mobility, renewable energy, slum re-development and affordable housing.

The scope of the policy has been kept as wide as possible, so as to allow the Company to respond to different situations and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013.

Not qualify as eligible CSR activity

- 1) The Company shall endeavour not to include any of the business activity undertaken in the normal course of business of the Company.
- 2) Activities undertaken outside India except for training of Indian sports personnel representing any State or Union Territory at national or international level.
- 3) Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- 4) Activities supported by the Company on sponsorship basis for deriving marketing benefits for its product/services.
- 5) CSR Projects or activities that benefit the employees of the Company.
- 6) Expenses incurred by companies for fulfilment of any Statute/ regulations would not count as CSR Expenditure under the Companies Act.

CSR Expenditure

- 1) Every year DIMTS shall spend an amount equivalent to at least 2% of its average net profits (calculated under Section 198 of the Act) during the three immediately preceding financial years or such other amount as may be notified from time to time, in accordance with the approved CSR Policy and Annual Action Plan.
- 2) DIMTS shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. CSR Projects or Programmes or activities undertaken in India only shall amount to CSR Expenditure.

- 3) Any surplus arising and/or additional revenue generated out of CSR activities undertaken by the Company shall not form part of the business profit of the Company and the same shall be ploughed back into the same project or shall be spent in pursuance of this CSR Policy or as per annual action plan of the Company or by transferring such surplus amount to a Fund specified in Schedule VII of the Act within a period of 6 months of the expiry of the financial year.
- 4) Where the Company spends an amount in excess of CSR obligation required under the Act, subject to board approval, based on recommendation of CSR Committee, such excess amount can be set-off against the CSR spends up to immediate succeeding 3 financial years.
- 5) The unspent CSR amount pertaining to an Ongoing CSR Project has to be transferred to a separate bank account to be called as “Unspent CSR Account” within 30 days of the end of the concerned financial year and is to be spent on CSR obligations as per its CSR policy within a period of 3 financial years. In case the Company is unable to spend on the Ongoing CSR project within the prescribed period of 3 financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act within 30 days of the end of the concerned financial year.
- 6) The unspent CSR amount pertaining to a non-Ongoing CSR project shall be transferred to any fund included in Schedule VII of the Act within 6 months from the end of concerned financial year.

Implementation of CSR Activities

- 1) The Company may undertake the CSR activities on its own or through a Trust/ Society/ Not-for-Profit Company as per its CSR Policy excluding activities undertaken in pursuance of its normal course of business.
- 2) The Company may collaborate for undertaking the CSR activities along with its group companies or any other companies outside the group, as the case may be.
- 3) The Board of the Company will review the CSR implementation every year including the ongoing projects as per the applicable provisions of the Act,.

Capacity Building/ Training

- 1) The Company may build the CSR capabilities of its own personnel as well as those of implementing agencies through Institutions with established track record or such experience, as may be required under the applicable laws.
- 2) The Company shall ensure that the total expenditure for training or capacity building of its personnel (including administrative overheads) does not exceed 5% of the total CSR expenditure of the Company in one financial year or such other higher percentage as may be prescribed from time to time under applicable laws.
- 3) The administrative overheads are defined as the expenses incurred by the company for ‘general management and administration’ of CSR functions in the company. The administrative overheads does not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular CSR project or programme.

Accounts and Audit

- 1) DIMTS shall maintain separate accounting for CSR related expense and a separate Bank account may be opened to deal with CSR related expense and receipts.

- 2) In case specified projects or programmes are to be undertaken through third party agencies the Company would need to specify the manner of accounting and tracking the expenditure incurred through third party agencies.
- 3) The Company may conduct audit of CSR related expense at such intervals as may be recommended by CSR Committee and approved by the Board.

Monitoring/Evaluation Mechanism and Impact Assessment

- 1) The Board of the Company shall satisfy itself that the funds so distributed for CSR activities have been utilised for the purposes and in the manner as approved by it. The Chief Financial Officer (CFO) or the person responsible for financial management shall certify to the effect based on the utilised report as received from the implementing agencies/partners.
- 2) Need based assessments and monitoring will be conducted before the commencement of and /or during the implementation of the projects.
- 3) DIMTS shall undertake impact assessments, if the Company is having an average CSR obligation of INR 10 crore or more in last 3 immediately preceding financial years and all projects with outlays of INR 1 crore or more. These impact assessments must be undertaken by an independent agency and it shall be placed before the Board of the Company.
- 4) The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the company which shall include the following:
 - (i) Release of funds for CSR Project/Programme: The amounts sanctioned for a CSR project or programme, will be released in stages or instalments in accordance with the progress, as may be determined by the CSR Committee or any person authorised by the CSR Committee/ Board.

Tax Treatment

Tax treatment of CSR spent will be in accordance with Income Tax Act, 1961 as amended from time to time and other applicable rules or circulars (issued by CBDT).

Dissemination of Information

The CSR Policy of the company shall be placed on the website of the Company www.dimts.in.

Review, Limitation and Amendments

The CSR Committee or Board of Director of DIMTS shall review and monitor from time to time the implementation of this policy to ensure its effectiveness and may also recommend changes pursuant to any changes in any law, for the time being in force, to ensure it meets the requirements of legislation and the needs of organisation.

In the event of any conflict between the Companies Act, 2013 read with the Companies (CSR) Rules 2014, as amended from time to time ("Regulations") and this policy, the Regulations shall prevail over this policy.

Any subsequent amendment/modification in the Regulations shall automatically apply to this policy.