

CSR & Sustainability Policy

Corporate Objectives on CSR & Sustainability.

ITDC Board in its meeting held on 12th August, 2016 directed to choose the CSR Activities including "Swachh Bharat" in tune with objectives of ITDC and which are easy to monitor. While selecting CSR activities & projects from the activities listed in Schedule VII of the Act, ITDC shall give priority to projects which are in tune with the objectives of ITDC. Objective of ITDC is to acquire a leading position in hospitality and tourism sector. Board advised to take up CSR activities in tourism related areas as tourism is one of the core area ITDC is working in.

*In case of any disasters/calamity, the CSR Committee and the Board may take up the CSR activity to support the people, Government, Government and non-government organization in the disaster management activities, which will also include the money to be donated to the fund set up for this cause.

Further CSR Committee and the Board may also approve taking up the CSR activities as directed/advised by the Government including Department of Public Enterprises, Ministry of Tourism etc.

Commitment to Sustainability

ITDC is committed to act in a socially, economically and sustainable manner at all times. It will continue to invest in the projects which lead to environmental sustainability. ITDC will produce goods and services which are safe and healthy for the consumers and the environment."

Scope of the CSR & Sustainability Policy

- This Policy for CSR & Sustainability applies to formulation, implementation, monitoring, documentation and reporting of CSR and sustainability activities taken up by ITDC.
- This policy does not cover activities undertaken in pursuance of ITDC's normal course of business and activities exclusively for benefit of ITDC's employees or their family, as the same are not considered as CSR & Sustainability activities
- This policy is intended to be in conformity with the provisions of Companies Act 2013 and DPE Guidelines on CSR. In case of any contradiction between this policy and provisions of the Companies Act, the latter shall prevail.

*Revised by the Board in the meeting held on 27.05.2020

- Any new provision arising out of amendments to Companies Act, 2013 or rules made there under shall be construed to be a part of this policy. However, such new provisions shall be specifically incorporated in the policy.

Institutional Set Up

In line with the Companies Act, 2013, the institutional set up is as follows:

4.3.1 A Corporate Social Responsibility Committee of the Board ('the CSR Committee') has been constituted consisting of three i.e. C&MD, Director (C&M) and one Independent Director.

Role & Responsibilities of the Corporate Social Responsibility Committee

- Formulation & recommendation 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 Act
- Monitor CSR policy of the Company from time to time
- Recommendation of the amount of expenditure to be allocated for activities as per Schedule VII
- Recommend/review of CSR projects / programs / proposals, falling within the purview of Schedule VII of the Act.
- Institute a transparent monitoring mechanism for implementation of the CSR projects/ programs / activities undertaken by the company
- Approve the content of annual report on CSR activities as per proforma given in the Rules, inter-alia covering responsibility statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company;
- Chairman CSR Committee will sign the annual report on CSR activities to be included in the Board's Report;
- Comply with the other requirements on Corporate Social Responsibility and Sustainability as amended from time to time.

4.3.3 The ultimate discretion in the selection and implementation of CSR activities is that of the Board of Directors of ITDC who take the decision in the best interest of the Company, keeping in view the objectives of ITDC, organizational capability and resource capacity.

Role & Responsibilities of the Board

- To approve CSR Policy for the Company, after taking into account recommendations made by CSR Committee of the Board, and disclose the contents of such policy in its report.
- To ensure that activities in its CSR policy are related to activities included in Schedule VII,
- To ensure spending of at least 2% of average net profits of the company made during three immediately preceding financial years. If the company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount.

CSR Programme formulation

CSR programme undertaken by ITDC include activities specified in Schedule VII of the Companies Act 2013 & rules made there under.

Focus area of CSR programme/project is "Swachh Bharat" in relation to Tourism & Hospitality. ITDC would undertake CSR activities preferably in historical monuments and tourist spots of national importance, with the motto of Swachh Smarak, Swachh Paryatan and Swachh Bharat. Preference for CSR activities would be given to local areas (within the district) around ITDC's operations, ensuring that majority CSR funds are spent for activities in local areas.

The Company would prepare an annual plan for each year within above defined scope and within the budgetary provisions, which will be placed before the Board for approval, as the case may be. The target beneficiaries, the local authorities, professionals and institutions etc. involved in similar activities if need be, may be consulted/ associated in the process of planning and implementation of the CSR programmes.

Adequate care is taken to ensure that there is no duplication of CSR & Sustainability projects with that of government's programmes.

The Company will abstain from carrying out following activities under CSR:

- i) Activities concerned with religion like construction of temple/mosque etc.
- ii) Activities disturbing social harmony in any manner.

Fund Allocation & Expenditure

In line with the requirement of the Companies Act 2013, ITDC is to spend two percent of the average net profits (to be calculated in accordance with the provisions of Section 198 the Companies Act, 2013) made during the three immediately preceding financial years, for CSR activities/projects.

Funds allocated are earmarked for CSR & Sustainability programs/ activities approved by CSR Committee. ITDC endeavours to fully spend the funds annually allocated for CSR activities/ projects. The un-utilized amount if any, will not lapse, if not spent in that year and will be carried over to the next year which may accumulate for expenditure on CSR activities, which were planned for implementation in the previous year, but could not be completed due to some reason.

Any expenditure incurred by ITDC on the activities relating to corporate social responsibility referred to in section 135 of the Companies Act, 2013 shall not be deemed to be an expenditure incurred by ITDC for the purposes of the business or profession.

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendations of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

Surplus arising out of any CSR projects/ activities does not form part of business profit of ITDC.

CSR Programme Implementation

CSR Projects are generally executed and implemented through in-house department. ITDC shall strive to fully exploit their core competence and mobilize their resource capabilities in the implementation of CSR activities / projects, as also to align CSR and Sustainability policy with their business policies and strategies to the extent possible, and shall select such CSR activities / projects which can be better monitored through in-house expertise. Wherever required assistance/collaboration of local authorities associated with the chosen destination would also be taken.

Monitoring

Monitoring would be done to ensure timely completion of activities and to achieve deliverables. Regular reviews of CSR Project would be done by a designated officer of

the Corporation, wherein performance would be assessed, bottlenecks would be identified and remedial measures of CSR project would be taken.

Reporting

CSR & Sustainability activities undertaken by ITDC are disseminated to the stakeholders through Company's Annual Report. These reports are made available in public domain by uploading them on ITDC website.

The CSR & Sustainability Policy is uploaded on the Company's website. Further CSR Activities approved by the Board will also be displayed on Company's website.

The Board's report under Section 134(3) of the Act shall disclose:-

- (i) composition of the Corporate Social Responsibility Committee of the Board
- (ii) details about the policy implemented by the company on corporate social responsibility during the year
- (iii) the contents of CSR Policy in CSR Report

The Company may publish a Corporate Brochure from time to time, highlighting the CSR initiatives undertaken, for dissemination to various stakeholders.

Text of Section 135 of the Companies Act, 2013

135. Corporate Social Responsibility

(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during [the immediately preceding financial year] shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

[Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.]

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility Committee shall,—

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy

which shall indicate the activities to be undertaken by the company [in areas or subject, specified in Schedule VII];

- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time

(4) The Board of every company referred to in sub-section (1) shall,-

- (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
- (b) Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years [or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years], in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount [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

[Explanation.—for the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.]

(6) 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.

(7) If a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.]

(8) The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions.]

(9) Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

SCHEDULE VII
(See Section 135)

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:—

(i) Eradicating hunger, poverty and malnutrition, [“promoting health care including preventive health care”] 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.

(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 dependents 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.]