



**SURAT INTEGRATED TRANSPORTATION  
DEVELOPMENT CORPORATION LIMITED (SITCO)**

**(CIN: U60230GJ2017GOI099529)**

**CORPORATE SOCIAL RESPONSIBILITY  
(CSR) POLICY**

**(Regd. Office: SITCO, O/o Divisional Controller GSRTC, Lambe Hanuman Road, Surat  
Gujarat - 395005)**

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***Preamble:***

Corporate Social Responsibility (CSR) is the responsibility of the corporate entity towards the society in consideration of the support given by the society by sharing part of its profit and reserves. CSR policy lays down guidelines and mechanism for undertaking social welfare programs & sustainable development for the benefit of different segments of the society and in particular for those who are down-trodden and are at the bottom of the pyramid.

Surat Integrated Transportation Development Corporation Limited (SITCO) is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the Society in its operational areas. Being a good corporate citizen is integral to SITCO's corporate objective of advancing the way people live and work.

In alignment with vision of the company, SITCO, through its CSR initiatives, will continue to strive to enhance value creation in the society in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern.

This policy is an attempt to put in place, SITCO's commitment to the Society in line with the statutes direction.

***Policy Objectives:***

The objective of the CSR Policy ("Policy") is to lay down the guiding principles in undertaking various Programs and projects by or on behalf of the company relating to Corporate Social Responsibility ("CSR") within the meaning of section 135 of the Companies Act, 2013 read with Schedule VII of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014. ("Rules")

**Key words & meanings:**

1. "Act" shall mean the Companies Act 2013, including any modifications, amendments or re-enactment thereof.
2. "Approved Budget" shall mean the total budget as approved by the Board of the Company, which is to be utilized for CSR Projects.
3. "Board" shall mean the Board of Directors of the Company.
4. "CSR Annual Plan" shall mean the annual plan detailing the CSR expenditure for the year.
5. "CSR Committee" shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act.
6. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
7. "CSR Projects" or "Projects" means Corporate Social Responsibility projects/activities/ programs/ initiatives, instituted in India, either new or ongoing, and include, but is not limited to those undertaken by the Board as per the declared CSR.
8. "Financial Year" shall mean the period beginning from 1<sup>st</sup> April of every year to 31<sup>st</sup> March of the succeeding year.
9. "Net profit" shall mean the net profit as per Sec 135 of the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.
10. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

### ***CSR Activities:***

Pursuant to Schedule VII of the Companies Act, 2013, following activities are to be termed as “CSR Activities” to be undertaken under the CSR policy of the Company under section 135 of the Companies Act, 2014, Schedule VII and other applicable rules, regulations, notifications etc., issued/to be issued from time to time.

#### **CSR Activities as currently permissible under the Companies Act, 2013 are:**

- 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 centers 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- V) protection of national heritage, an 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 Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- VII) training to promote rural sports, nationally recognized sports, Paralympics 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 Government for socio- economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- IX) 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;

- X) 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 Organization (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)
- XI) rural development projects.
- XII) slum area development
- XIII) disaster management, including relief, rehabilitation and reconstruction activities
- XIV) any other activity as may be permissible by Ministry of Corporate Affairs, GoI from time to time

**EXCLUSIONS:**

Following activities shall be excluded from the CSR expenditure of SITCO:

- a) Activities which are exclusively for the benefit of employees of the company or their family members;
- b) Activities undertaken in pursuance of normal course of business of the Company;
- c) Direct or indirect contribution to political parties;
- d) Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013 and such other applicable provisions of the Companies Act, 2013;
- e) Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

### **CSR Committee:**

- i) As per provisions of the section 135(9) of the Companies Act, 2013, till amount to be spend by SITCO towards CSR as per requirements of the Companies Act, 2013, does not exceed Rs. 50 (fifty) lakh, CSR Committee shall not be constituted and the functions of the CSR Committee shall be discharged by the Board of Directors.
- ii) The Board of SITCO may constitute CSR Committee with such number of Directors and at such terms of reference, as may be required under the provisions of the Companies Act, 2013.

### **Role & Responsibilities of Board of Directors**

- i) To formulate and approve the CSR Policy.
- ii) To ensure that in each financial year the Company spends at least 2% of the average net profit\* of the Company made during the three immediately preceding financial years in accordance with the provisions of section 135 of the Companies Act, 2013 and the Rules made thereunder.  
  
\*Average net profit shall be calculated in accordance with provisions of section 198 of the Companies Act, 2013 and rules made thereunder.
- iii) To ensure that for every financial year, funds committed by the Company for CSR activities are utilized effectively and CSR activities are completed within target completion period.
- iv) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- v) Review and recommend any new CSR initiatives to be taken up by the company.
- vi) Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects.
- vii) Review the CSR report to be included in the Board's report.
- viii) Review if any amendments to be made in the CSR policy of the Company.
- ix) Disclosing the names of CSR Committee members, the content of CSR Policy in the Board Report and ensure annual reporting of its CSR activities on the Company's website.
- x) In case the Company fails to spend the above targeted amount in that particular financial year, reasons for not spending the amount shall be reported by the Board of Directors in their Board Report for that particular financial year.
- xi) Actions for unspent or overspent amount towards CSR by the Company shall be taken as per provisions of the Companies Act, 2013, as may be applicable from time to time.

### **CSR Budget:**

- i) Each year budget for CSR activities shall be as decided by the Board.
- ii) The actual budget shall be such that the Company spends at least 2 % of the average net profit of the Company made during the three immediately preceding financial years.
- iii) The total budget amount for the year shall be distributed on projects as a percentile or fixed amount as may be decided by the Board
- iv) Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company and such surplus shall be deployed only for CSR activities.

### **CSR Planning:**

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.

The Board shall formulate an Annual CSR Plan in line with Schedule VII of the Companies Act, 2013 and the Company shall undertake CSR activities included in its Annual CSR Plan, at the beginning of each year. The Managing Director is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year.

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company which outlines the following aspects of CSR initiatives of the Company:

- Tailor-made CSR activities/projects depending upon allocated spend and geographical presence.
- Details of CSR activities/projects to be undertaken through welfare society.
- Partnering with other Welfare Society/NGO/agencies/companies/firms etc.
- Targeted Beneficiaries & their key needs.
- Alignment with Schedule VII.
- Activities and Timelines including expected closure dates
- CSR Budget with projections

- Monitoring Mechanism
- Progress reporting and frequency of reports
- Any other information as may be required by the CSR Committee/the Board.

### ***Implementation:***

The Company may decide to undertake CSR activities by itself or through –

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Before allocating CSR funds to any of the entity out of above, the Company shall ensure that such entity is registered with Central Government/Ministry of Corporate Affairs by filing the form CSR-1 as provided under the Companies Act, 2013 and its other applicable rules & regulations.

### ***Monitoring & Reporting of CSR Activities:***

- i) To ensure effective implementation of the CSR programmes undertaken at each work center, a monitoring mechanism will be put in place by the work center head.
- ii) The progress of CSR Programme under implementation at work center will be reported to corporate office on a monthly basis.
- iii) The report on progress on the CSR Programme undertaken by the Company will be put forward to the Board with full details of cost incurred and result achieved on a regular basis.

- iv) Work centers will try to obtain feedback from beneficiaries about the programs implemented at the area.
- v) Appropriate documentation of the Company's CSR activities,
- vi) executing partners, and expenditure entailed will be undertaken on a regular basis.
- vii) CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made thereunder.

***Confidentiality:***

All deliberations, all records, material and information pertaining to the Company obtained by a member of the Committee/Board shall be considered confidential. Committee/Board members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

***Amendment of Policy:***

The CSR Policy of the Company may be amended at any time by the Board of the Company.

## Format for the Annual Report on CSR Activities to be included in Board Report :

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

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 or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other  (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs  <b>Sub-heads:</b>  (1)Direct expenditure on projects or programs.  (2)Overhead s:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							

2							
3							
	<b>TOTAL</b>						

\*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.

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

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