



Corporate Social Responsibility (CSR) Policy

Artificial Limbs Manufacturing Corporation of India
(A Government of India Undertaking)

Miniratna-II Company

Department of Empowerment of Persons with Disabilities, Ministry of Social Justice
and Empowerment,
New Delhi
Naramau, G.T. Road,
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CSR POLICY OF ALIMCO

1. COMPANY BRIEF

Artificial Limbs Manufacturing Corporation of India (ALIMCO) is a Schedule 'C' Miniratna Category II Central Public Sector Enterprises, registered under Section 8 (Not for Profit motive) of the Companies Act 2013, (corresponding to Section 25 of the Companies Act, 1956) is functioning under the administrative Control of Ministry of Social Justice & Empowerment, Department of Empowerment of Persons with Disabilities. It is 100% owned Government of India Central Public Sector Enterprises. with an objective of benefiting the disabled persons to the maximum extent possible by manufacturing Rehabilitation Aids for persons with disabilities and by promoting, encouraging and developing the availability, use, supply and distribution of Artificial Limbs and other Rehabilitation Aids to the disabled persons of the country. Profitability is not the motive of the operations of the Corporation and its main thrust is in providing better quality of Aids & Appliances to larger number of disabled persons at reasonable price. The Corporation started manufacturing artificial aids in 1976. Apart from the main manufacturing setup in Kanpur, the company has four Auxiliary Production Centres (AAPCs) situated at Bhubaneswar (Orissa), Jabalpur (M.P.), Bengaluru (Karnataka), and Chanalon (Punjab). The Corporation has four Marketing Centres at New Delhi, Kolkata, Mumbai, & Hyderabad and one Outreach Centre at Guwahati at present.

2. Preamble

CSR is an essential ingredient of corporate governance. CSR is fundamentally a philosophy or a vision about the relationship of business and Society. It is the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. The emerging concept of CSR goes beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into company's business process. The Public Sector Enterprises in pursuit of the triple bottom line' of people, planet and profit have to assign a high priority to the adherence of ideals of CSR.

3. CSR OBJECTIVES

- 3.1** The main objective of CSR policy is to lay down guidelines for the company to make CSR a key business process for sustainable development for the society and environment with a balanced emphasis on all aspects of CSR and Sustainability - equally with regard to its internal operations, activities and processes, as well as in their response to external entities.

3.2 Continuous monitoring of the implementation of CSR projects shall help the company in achievement of the objective.

4. Parameters/Guidelines

The CSR policy has been framed in accordance with the provisions of the Companies Act, 2013 and the Rules made there under. A brief gist of the same is given as under:

4.1 Applicability: New provision of the Companies Act, 2013 on CSR applicability encompasses the companies having net worth of Rs. 500 crore or more; Or turnover of Rs. 1000 crore or more; Or a net profit of Rs. 5 crore or more during any financial year.

4.2 CSR Committee: Those companies to which the new provisions are applicable have to constitute Corporate Social Responsibility Committee for execution and monitoring.

4.3 Inclusion of Activities in CSR Programme/Project: As per new provisions activities covered by schedule VII of Companies Act, 2013 will be included in CSR programme /project of the Company

4.4 CSR Expenditure: Minimum 2% of the average net profits (i.e., Profit before tax as calculated under the provisions of Section 198 of the Companies Act, 2013) as of the company during the three immediately preceding financial years.

4.5 Surplus arising out of CSR Activities: The surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of ALIMCO.

4.6 Disclosure in Board's Reports: the following details in respect of CSR Activities are to be included in the Board's Report:

- a. 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.
- b. Composition of the CSR Committee.
- c. Average net profit of the company for last three financial years
- d. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

e. Details of CSR spent during the financial year.

- (i) Total amount to be spent for the financial year;
- (ii) Amount unspent, if any;
- (iii) Manner in which the amount spent during the financial year is detailed below.

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 programwise	Amount spent the projects or programs Sub-heads:(1) Direct expenditure on projects or programs	Cumulative Expenditure upto to the reporting period	Amount spent: Direct or through Implementing agency

f. In case the company has failed to spend the two percent 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.

g. 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.

4.7 Display of CSR policy on website. - The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website.

4.8 Corporate Social Responsibility Policy of ALIMCO shall be adopted with the approval of Board of Directors. CSR activities to be undertaken shall be in accordance with the approved policy of ALIMCO.

5. Constitution of CSR Committee

5.1 A two-tier CSR Committee shall be constituted one Board Level Sub-Committee and another Senior Executives Committee to be headed by an officer in the rank next to Board Level. The two tier CSR Committees of ALIMCO have been constituted as under:-

Board Level CSR Committee: -

1	Shri Rajesh Kumar Yadav	Government Nominee Director	Chairman
2	Shri Sanjay Pandey	Government Nominee Director	Member
3	Shri Praveen Kumar	CMD	Member

Internal CSR Committee:-

1	Shri Atul Rustagi	General Manager (F&A)	Chairman
2	Shri Ajay Chaudhary	Incharge General Manager (Marketing)	Member
3	Shri Vivek Dwivedi	Incharge General Manager (Projects and Production)	Member
4	Shri Mrinal Kumar	Dy. Manager (Marketing)	Member
5	Shri Vinay Prakash	Manager (Finance)	Member
6	Shri Siddharth Kumar	Dy. Manager (C.S.)	Member

CMD is competent to change/ nominate/replace internal level CSR Committee Members. The management will ensure adequate strengthening of the Internal Committee so as to enable it to discharge its duties/responsibilities expeditiously, smoothly and efficiently.

5.2 Functions, Duties/Role of the Board Level CSR Committee

- (i) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013.
- (ii) The Board level CSR Committee shall recommend to the Board yearly budget for CSR activities with effect from the financial year 2015-16. Since Ministry of Corporate Affairs clarified the applicability of the provision of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility

(CSR) to section 8 companies vide their General Circular No.01/2016 dated 12.01.2016, hence it will be applicable w. e. f financial year 2015-16. The budget recommended by the committee shall be minimum 2% of the average net profits of the company during the three immediately preceding financial years as calculated under the provisions of Section 198 of the Companies Act, 2013.

- (iii) To monitor the CSR policy of the Company from time to time.
- (iv) The quorum for the Corporate Social Responsibility (CSR) Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher. Company Secretary to the Company shall act as Secretary to the Corporate Social Responsibility (CSR) Committee.” The composition of Board level CSR committee may be changed by the Board of Directors of ALIMCO from time to time. The Committee shall meet at least once every half-year.

5.3 Functions, Duties/Role of the Internal level CSR Committee

- a. Prime duty of the Internal Committee would be to provide necessary help and assistance to the Board level CSR Committee in identification, finalization, implementation and monitoring of various activities/ schemes /projects / programmes under CSR.
- b. To formulate and recommend to the Board level CSR Committee, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013; and as amended from time to time.
- c. The Internal level CSR Committee shall recommend to the Board level CSR Committee a yearly budget for CSR activities. The budget recommended by the committee shall be minimum 2% of the average net profits of the company as calculated under the provisions of Section 198 of the Companies Act, 2013. Here a net profit means net profit as defined in Companies (Corporate Social Responsibility Policy) Rules, 2014.
- d. To ascertain basic needs/ requirements of the people and the area, Project will be identified.

- e. After the identification of Schemes/Projects, the Internal Committee will prepare the Draft Annual Plan keeping in view the availability of funds and put up the same to the Board level CSR Committee.
- f. The committee will scrutinize all such projects and schemes as received from various quarters for financial assistance and put up the same to the Board level CSR Committee with its comments/recommendations. Submit half yearly and annual report of physical and financial progress to Board Level Committee.
- g. If need be, to interact with the Organizations /Agencies for finalization of Schemes etc.
- h. To prepare a panel of agencies/organizations keen to implement CSR activities and programmes.
- i. To carry out any other task assigned by the Board level CSR Committee.
- j. The meetings of the Committee may be held as per the exigencies of work.

5.4 Activities qualifying to be taken up as CSR activity

The activities that qualify as CSR activities are listed broadly in the Schedule 7 to The Companies Act 2013, as reproduced below:

- I. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, 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, 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, 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, Paralympics 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 SC, ST, 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 need based project / program which is covered under the Schedule VII of Section 135(3)(a) of the Companies Act, 2013 as amended from time to time is also taken up.

The Company may with the recommendation of the Board Level CSR Committee and with the approval of the Board of Directors undertake any CSR activities confirming to the above entries and can interpret the entries above liberally in compliance with the Ministry of Corporate Affairs General Circular no.21/2014 dated 14.06.2014.

Note: - ALIMCO is already registered under Section 8 (Erstwhile Section 25 of the Companies Act, 1956 as Non-Profit making organization) of the Companies Act 2013, with an objective of benefiting and providing rehabilitation to the disabled persons by manufacturing Rehabilitation Aids for persons with disabilities and by promoting, encouraging and developing the availability, use, supply and distribution of Artificial Limbs and other Rehabilitation Aids to the disabled persons of the country. ALIMCO is a nodal agency for carrying out the CSR activities of other entities as well and hence when such a proposal is considered for ALIMCO's CSR activities, providing assistive devices for undertaking ALIMCO's CSR activities shall be considered on specific approval of the Board of Directors.

5.5 DELEGATION OF POWER

For smooth functioning of CSR activities, the following powers have been delegated to CMD and Board Level CSR Committee.

1. 60% of total budget of CSR for each year be spent on annual theme prescribed by DPE and rest 40% be spent on other than theme.
2. The Board also delegated the power to approve CSR projects as under: -
 - a. CSR proposal upto Rs. 10 lakh

Approval of such proposal falling within the Board approved CSR budget heads will vest with Managing Director.

- b. CSR proposal involving value above Rs.10.00 lakh and upto Rs.50.00 lakh

Approval of such proposal falling with the Board of Directors approved CSR budget heads will require approval of Board Level CSR Committee.

- c. All proposals above Rs.50.00 lakh and those not covered under the approved CSR budget heads will require approval of the Board of Directors.

However, all such projects shall be placed before the Board for intimation.

6. CSR PROCESS

6.1 Selection criteria: CSR level Internal Committee of ALIMCO will seek to identify suitable programmes/ any project/proposal received by the committee will be review and further recommendation would be given by the internal committee to the Board level CSR committee for implementation in line with the CSR and also benefit the stakeholders and the community for which those programmes are intended. The projects will be taken up based on the relevance to societal needs, outlay, beneficiaries, reach and coverage in the Companies Act 2013. The ultimate decision in the selection as well as implementation of CSR activities would be that of the ALIMCO board.

6.2 IMPLEMENTATION:

- (i) Any procurement related issue of CSR project for directly issuing to the community or agencies will be initiated by MM Department in accordance with the purchase policy of the Corporation.
- (ii) Any Civil Contract or community services in project mode and the project value more than Rs.10 lakhs then it will be executed through Government Agencies central/state/ CPSU/ District authority. If Government agencies does not come forward to take up the CSR project, then it will be taken up by the Project Department. If the project value less than Rs.10 lakhs then ALIMCO Project Department to execute the CSR project, to fulfil the requirement of Tender procedures through Project Department.

- (iii) Any others CSR projects/ activities shall be implemented either directly by ALIMCO or through concerned Central/State/District Authorities, PSUs and Autonomous bodies NGOs / Trusts
- (iv) The projects which are supposed to be implemented by a Central / State Government Agencies will be taken forward on the basis of the mutually agreed terms and conditions.
- (v) Every claim for payment for the work completed should be supported by proper bills and receipts/ documents and Utility Certificate in support of the claim.

7. MONITORING

- (i) CSR level Internal Committee will exercise constant vigil over the implementation of CSR initiatives by monitoring the projects regularly so as to achieve targets by scheduled dates.
- (ii) CSR level Internal Committee shall draw a schedule of inspection to be done by CSR level Internal Committee from the date of award of the projects/programs. If any delay is noticed while monitoring the activity, remedial measures shall be taken for timely completion.
- (iii) CSR level Internal Committee shall certify completion of the project and proper handing over to the user within the scheduled dates.

8. AMENDMENT

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.

9. APPLICABILITY/ENFORCEABILITY: - This policy shall be effective from the financial year 2015-16 starting from 01.04.2015.

FORMAT FOR PROPOSED CSR PROJECTS/ PROGRAMS

Broad activities of CSR will be prepared at the beginning of financial year in the format given below:

S.No	CSR Project/	Sector covered as per	Location	Amount outlay In	Implementation on schedule/	Implementation on modality
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	Program Identified	Schedule VII of Companies Act 2013		Lakhs	Completion period	