



सर्टिफिकेशन इंजीनियर्स इंटरनेशनल लिमिटेड  
(भारत सरकार का उपक्रम, इंजीनियर्स इंडिया लिमिटेड की सहायक कम्पनी)  
**CERTIFICATION ENGINEERS INTERNATIONAL LTD.**  
(A Govt. of India Undertaking, Subsidiary of EIL)

## **Policy on Corporate Social Responsibility (CSR)**

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February 18, 2011

### **Subject: Approval of Corporate Social Responsibility Policy for CEIL**

The Draft Corporate Social Responsibility policy for CEIL was presented to the Board via Agenda Item No. 66.2.6. The Board authorized Mr. G. D. Goyal, Director and Mr. M.V.K.Kumar, Chief Executive Officer to review and finalize the same.

The said policy has been verified by EIL, HR and is in line with EIL's CSR Policy. Accordingly, the draft Corporate Social Responsibility policy placed alongwith Agenda Item no. 66.2.6 was reviewed and approved.

(G.D. Goyal)  
Director

(MVK Kumar)  
Chief Executive Officer



An ISO 9001 : 2008, 17020 Company

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### **Document Drafting Committee Members:**

Sub Group, CSR Committee

### **Document Review Committee Members:**

CSR Committee



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### Chapter 1

### Concept

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#### 1.1 Introduction

**Certification Engineers International Limited (CEIL)**, a technical Certification and Inspection organization is committed for operating its core business in a socially responsible way by taking into consideration the wider interests of the community and the environment, with a vision of promoting sustainable development.

#### 1.2 Definition

**CEIL's Corporate Social Responsibility (CSR)** policy is the company's commitment to operate in an economically, socially and environmentally sustainable manner while pursuing the core interests of its stakeholders.

#### 1.3 Purpose

The purpose of the company's Corporate Social Responsibility (CSR) policy is to elucidate the methodology for identification, execution, monitoring and impact assessment of CSR initiatives taken by the company.



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### 1.4 Scope

This policy shall be applicable across the company and will cover the designated project activities under CSR.

### 1.5 References

- 1.5.1 Corporate Vision Statement
- 1.5.2 Corporate Mission Statement
- 1.5.3 DPE Guidelines on CSR

### 1.6 Objective

The objectives of CEIL's CSR Policy are:

- To **assist socially and economically disadvantaged segments of society** to overcome hardship and impoverishment
- To enhance **increased commitment** at all levels in the organization towards reinforcing its image as a social and environmental conscience company



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### Chapter 2

### Resources

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#### 2.1 Funding & Allocation

- 2.1.1 For funding and allocation of CSR, project activities, CEIL shall follow the guidelines issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.
- 2.1.2 In compliance with the latest Office Memorandum from DPE (F.No. 15(3)/2007 – DPE(GM) – GL-99 dated April 09, 2010, CEIL will **allocate 3% of its previous financial year's Net Profit After Tax**, as its annual CSR budget. This amount shall be reflected in the Annual Budget of the Company. Besides the company shall also encourage employees to supplement the company's CSR financial and other resources for such activities.
- 2.1.3 The **CSR budget will be non-lapsable** and any unspent amount/unutilized budget allocated for CSR Activities in any year **will be carried forward** to the next financial year.
- 2.1.4 Fund allocation for a specific CSR project would be need based, subject to review/approval as detailed in Chapter 3 of this document.



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### Chapter 3

#### Planning & Implementation

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#### 3.1 Thrust Areas

3.1.1 Being a knowledge-based company, CSR initiatives of CEIL are aimed at assistance in the development of skill based resources and to help the socially disadvantaged/underprivileged sections across the society. Accordingly, the following **Five Thrust Areas** have been identified for CSR activities:

- **Education**
- **Health Care**
- **Renewable Energy**
- **Drinking Water/Sanitation Facility**
- **Environment Protection**

#### 3.2 Identification Criteria

3.2.1 The initiation for selection of **Quality CSR Projects** would include a base line survey, description of beneficiaries, expenditure involved, time period of completion and the sustainability of the initiative. All efforts would be made to ensure that there is no duplication of CSR activity by checking on availability/association of other resources for the same cause.

3.2.2 Efforts would also be made to dovetail and synergize the initiatives of the company with those of State Governments, District Administration, Local Administration as well as Central Government Department/Agencies, other agencies including NGOs, Missions, Trusts and the parent company M/s., EIL.

3.2.3 Association with the aforementioned agencies would be reviewed to demarcate the responsibilities/activities/expenditure for the CSR activities so undertaken.





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### 3.3 Selections & Approval

3.3.1 Selection of CSR projects will undertake the following into consideration:

- a. Need Identification and subsequent assessment by the company;
- b. Receipts of proposals/requests from State Governments, District Administration, Local Administration as well as Central Government Department/Agencies parent company EIL, etc.
- c. Review of the proposal(s) by the CSR Committee

3.3.2 CSR project(s) so finalized by the CSR Committee will be recommended to the Board of CEIL through CEO, CEIL for approval with delegation to CEO, CEIL to effect their implementation.

3.3.3 The financial approval of any CSR proposal would follow the two-fold framework as under:

<b>CSR Project/Expenditure</b>	<b>Delegation of Powers</b>
Identified CSR Projects (All)	CSR Committee <b>Recommending Authority</b>
Recommended Projects (All)	Chief Executive Officer <b>Approving Authority</b>

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### Chapter 4

#### Implementation

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#### 4.1 Specialized Agencies

4.1.1 The approved CSR project(s) will be implemented by Specialized Agencies which could be made to work singly or in tandem with other agencies. These agencies would include:

- i. Community based organization whether formal or informal
- ii. Elected level bodies such as Panchayats/Municipal Corporation
- iii. Voluntary Agencies / Organizations
- iv. Institutes / Academic Organizations
- v. Trusts/Missions/Self-help Groups – Registered
- vi. Government, Semi-Government and autonomous organizations
- vii. Standing Conference of Public Enterprises (SCOPE)
- viii. Contracted agencies including professional consultants/consultancy organizations

#### 4.2 Criterion for identifying specialized agency

4.2.1 While assigning CSR projects to specialized agency for execution all possible efforts will be made by the company to verify the reliability and track record of such agencies. In case of project execution by NGOs/Voluntary organizations the minimum criteria would entail being a registered society under Societies' Registration Act with a permanent office/address in India and having a valid Income-tax Exemption Certificate.



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### 4.3 Agreement between CEIL & Specialized Agency

- 4.3.1 Once the project is approved by the Board of Directors of CEIL, a **Memorandum of Understanding (MoU)/Statement of Understanding & Cooperation (SU&C)**; as the case may be, for implementing the project, with customized clauses as per the requirements of the project will be prepared. The MOU/SU&C shall, inter alia, detail
- Activities to be undertaken.
  - Assigning responsibilities and authorities
  - Major results/outcomes expected.
- 4.3.2 The MOU/SU&C on behalf of CEIL will be signed by CEO, CEIL with the implementing agency(ies).



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### Chapter 5

#### Monitoring & Impact Assessment

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##### 5.1 Monitoring

- 5.1.1 To ensure effective implementation, the CSR Committee in association with the implementing agency will monitor the progress of the CSR project(s).
- 5.1.2 The CSR Committee will prepare a consolidated report on all ongoing/planned/completed projects which would be submitted to CEO, CEIL for perusal/review and recommendation(s), if any.
- 5.1.3 Upon receipt of the above report, CEO, CEIL may suitably and accordingly inform the Board of Directors of CEIL and the parent company EIL on the CSR activity(ies) undertaken by the company.
- 5.1.4 The CSR initiatives of the Company may also be included as a separate paragraph/chapter in the Annual Report of CEIL and in any other document of the Government of India as and when required.

##### 5.2 Impact Assessment

- 5.2.1 The Close-out Report of the CSR activity detailing the impact assessment would be prepared within three months after completion of the CSR activity by the CSR Committee and discussed/finalized by CEO, CEIL.
- 5.2.2 A need-based Independent External Agency may be hired by CEIL for the evaluation of the CSR project.

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