

BIHAR STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY, 2015

1.) Defination

1.1) The “Act” Means the Companies Act, 2013.

1.2)“**Corporate Social Responsibility**” means and includes but is not limited to :-

(i.) Projects or programs relating to activities specified in, Schedule VII to the Act; or

(ii.) Projects or programs relating to activities undertaken by the Board of directors of a company (Board) in pursuance of, recommendations of the CSR Committee of the Board as per, declared CSR Policy of the Company subject to the condition, that, such policy will cover subjects enumerated in Schedule, VII of the Act.

1.3) The “**CSR Committee**” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

1.4) “**CSR Policy**” relates to the Activities to be undertaken by the Company as specified in Schedule VII to the Act and the, expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company.

1.5) “**Net Profit**” means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of, the Act, but shall not include the following namely:-

i.) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and

ii.) any dividend received from other companies in India, which, are covered under and complying with the Provisions of, section 135 of the Act :-

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act,

1956,(1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act:

Provided further that in the case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section(1) of Section 381 read with Section 198 of the Act.

1.6) This policy, which encompasses the company's philosophy for delineating its responsibility as a *corporate citizen* and lays down the guidelines and mechanism for undertaking projects and programmes for socio-economic development and empowerment and sustainable development of the community at large, is titled as the '**BSEIDC CSR Policy 2015**'.

1.7) This policy shall apply to all CSR initiatives and projects taken up at the various sites and locations of BSEIDC, for the development and empowerment of deprived and underprivileged sections of the society.

1.8) CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrate its commitment in this regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations.

1.9) CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth.

1.10) Sustainable development is development that meets the needs of the present without compromising the ability of the future generations to meet their own needs. Sustainable Development involves an enduring and balanced approach to economic activity social progress and environmental responsibility.

CSR VISION

"To establish itself and fulfil its role as a socially responsible corporate entity. To act in a socially responsible manner to contribute to the socioeconomic development of the communities we operate in, by building stronger, developed, sustainable communities and raise the quality of life of the people of the country."

CSR MISSION and OBJECTIVES

- 1.) To undertake holistic development initiatives/projects in the community at large apart from compliance with the provisions of the Companies Act, 2013 and rules and Regulations made there under.
- 2.) BSEIDC will act as a good Corporate Citizen, subscribing to the ten principles of United Nations Global Compact for implementation.

In order to channelize CSR resources in a focused and meaningful manner, following thrust areas in accordance to Schedule – VII of the Companies Act, 2013 have been identified by BSEIDC:

- I.) eradicating hunger, poverty and malnutrition, promoting preventive health care and 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;*
- 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 and handicrafts;*
- VI.) measures for the benefit of armed forces veterans, war widows and their dependents;*
- 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 any other fund set up by the Central Government for socioeconomic development*

and relief and welfare of the Scheduled Castes, the Scheduled Tribes, 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.

2. FUNCTIONING OF BSEIDC'S CSR

2.1.) BSEIDC will function on the principles of its CSR values (vision, mission and objectives) as laid out in Para 1.

2.2.) BSEIDC will abide by Section 135 of Companies Act, 2013 in principle for its CSR functioning.

2.3.) **BSEIDC shall allot 2% of the average of last three years' PAT as CSR budget every year.**

2.4.) **The CSR Budget should be non-lapsable. The unspent funds of the current financial year will be carried forward to the next financial year.**

2.5.) **BSEIDC has Board Level CSR Committee consisting of three Directors, majority of which are Independent Director.**

2.6.) The CSR Committee should formulate and recommend BSEIDC CSR Policy to the Board and review it periodically. The committee also recommend / approve the CSR Activity and the expenditure to be incurred on the activities.

2.7.) Based on recommendations of the CSR Committee, the Board approves BSEIDC CSR Policy, disclose composition of CSR committee and contents of CSR Policy in its report and publish it on BSEIDC's website.

2.8.) The Board shall also ensure that the activities are undertaken as per CSR Policy.

2.9.) The Company shall give preference to local areas and areas around where it operates for spending the amount earmarked for Corporate Social Responsibility activities.

2.10.) If the company fails to spend earmarked amount for CSR, the Board shall, in its report, specify the reasons for the same.

3.0 FUNDING AND RESOURCE ALLOCATION

BSEIDC will allocate 2% of the average of last three year's PAT for CSR, Projects / Activities.

The expenditure towards Proposal Evaluation / Need Assessment / Baseline Survey, Mid-term Assessment, Impact Assessment, Documentation & Dissemination, Trainings for employees'

Sensitization towards CSR, Identification of CSR Activities / Projects, Monitoring / Coordination Activities, Fee of experts such as Consultants / designers /engineers (excluding departmental) etc. shall form part of CSR expenditure and would be covered under CSR Head.

The unspent amount shall roll over to the next F.Y. The expenses incurred on salaries paid to the regular CSR Staff as well as to volunteers (in proportion to company's time / hour spent specifically on CSR) shall be factored into CSR Project cost as part of the CSR expenditure.

4.0 PLANNING AND IMPLEMENTATION OF THE COMPANIES ACT, 2013 ON PAN BIHAR BASIS

4.1) THRUST AREAS

4.2 Baseline Survey : As a first step, to assess the impact of any project/programme/activity, there is a need to establish the base. This base establishment will help the company to see the changes after intervening in a specific area. Baseline Survey can be undertaken by an expert agency to assess the needs as well as establish the baseline information and statistics so as to allow a comparison of the 'then' and 'now' situation in the future. This will clearly show the 'impact' the project has created.

4.3 Needs Assessment : It is also important to conduct an unbiased needs assessment in the area prior to undertaking a CSR project in order to ascertain the specific needs, problems and relevant solutions from the community perspective, as also gain an understanding from the perspectives of the village authorities, school, health officials and the society at large.

4.4 Proposal Evaluation : A thorough evaluation of proposals should be conducted based on needs. For this purpose, only those proposals that are supported by data, documentary evidence, clearly indicating the need, preferably in thrust areas of the company, shall be taken up. Also, there needs to be clear criterion to evaluate the reliability of the proposal as also adherence to the Companies Act, 2013 and adherence to BSEIDC CSR Policy.

4.5 All the interventions made by company should be implemented in a project mode with clear objectives and goals mentioned. The goals should be laid on SMART principle which is:

S = SPECIFIC

M = MEASURABLE

A = ATTAINABLE

R = RELEVANT

T = TIME BOUND

4.6 In exceptional cases where the expenditure made by the company under CSR are not in project mode, and are one-time activities, the reason for doing so should be recorded in writing.

4.7 As the projects are related to socio-economic development and environmental protection, specialised agencies should be involved in designing and implementation of the same. In the absence of in-house expertise in social, economic and environmental areas, partnering with experts in the field is crucial to achieve BSEIDC's CSR vision, mission and objectives.

4.8 However, if there are projects related to company's core competency then company should use in-house expertise in implementing the same.

4.9 BSEIDC may support Central/State Government, district and local administration in order to dovetail and synergise with their programmes/projects by its initiatives.

5.0 IMPLEMENTATION PARTNERS AND SELECTION CRITERION

5.1) To identify the CSR Activities, a formal proposal with complete detail like name of work, availability of land, formal NOC letter from concerned department / NGO etc., approximate cost of Project along with line diagram plan, shall be put up to CSR Board level Committee for their comments and approval.

5.2) Care should be exercised in selecting specialised agencies which have the necessary competencies, expertise and capabilities to implement the projects. The Board of the Company may decide to undertake its CSR Activities approved by the CSR Committee through a Registered Trust or a Registered Society or a Company established by the Company or its holding or subsidiary or associate company under Section 8 of the Act. **Specialised agencies may include Government department, semi government autonomous Organisations, Community based govt. organisations, local bodies such as Panchayati Raj Institutions, Municipalities, Municipal Corporations, Govt.Academic Institutions, etc.**

or

non-governmental organisations (NGOs), professional consultancy organisations, registered Trusts / Missions, , self-help groups, non-for-profit organisations selected on the basis of selection criteria.

5.3) In case of project/programme execution by NGOs/Voluntary Organisations, the following minimum criterion needs to be ensured:

- a. The organisation has a permanent office/address at Bihar.
- b. The organisation is a registered society under Societies Registration Act of Section 8 of Companies Act, 2013 or Registered Public Trust, etc.
- c. The organisation should have an established track record of at least three years in carrying out activities in related areas.
- d. The organisation should possess a valid income-tax exemption certificate.
- e. The antecedents of the organisation are verifiable / subject to confirmation.

5.4) The Implementation Agency can be finalised through normal procedure of BSEIDC by adopting NIT, GCC, Price Bid and other requirements after NIT approved from TSC members.

5.5) .i. Once the projects/programmes/activities are approved and communicated to the project site of BSEIDC, they will be required to enter into an agreement with each of the executing/implementing agency as per the NIT and NGO's / Voluntary Organisations approved by CSR Board.

5.5.ii. After approval from CSR Board, the concerned RBG / SBG / Z.O. should be fully responsible for timely completion, Quality of work, timely H.O. and other legalities as per N.I.T. All activities should represent the logo of BSEIDC, engraved / written with paint "A CSR Initiative of BSEIDC" in bold letters with date of start, completion and clearly visible from all-around.

5.6 The Baseline / Need Assessment, proposal Evaluation, Mid-term Assessment & Impact Assessment for all the approved CSR Activities shall be carried out by Tata Institute of Social Sciences (TISS) NCSR Hub / any other Educational Institution or otherwise as per requirement and as approved by the CSR Board.

6.0 MONITORING, EVALUATION AND IMPACT ASSESSMENT

6.1 Monitoring and Evaluation go hand in hand with the implementation of the project/activity. Timelines, budgetary expenditures and achievement of milestones can only be assessed by monitoring the project.

6.2 Monitoring should be periodic with a checklist of key indicators related to the project which is helpful in understanding the present picture. Monitoring also creates possibilities of mid-term course corrections in the project.

6.3 Monitoring should be taken care by BSEIDC CSR Committee and team for its CSR projects. This ensures the involvement and ownership of CSR projects by the company.

6.4 The reporting format by which the implementing organisation submits its daily/weekly/monthly/quarterly/yearly reports should be collaboratively designed by the company and the implementing organisation by keeping all the indicators of the projects in focus. The reporting format should also have a qualitative data section apart from quantitative data section.

6.5 In the case of one-time activity, monitoring should take place after handing over the services to Panchayat / State Government/Central Government etc. as this helps the company in understanding the functioning of the services provided. This also helps in taking mid-term course corrections if the services provided are not functional.

6.6 Evaluation should be conducted by a third party that is not involved in implementation of the project at all. If required, it is advisable to appoint the agency engaged in baseline survey/need assessment for evaluation as the agency can clearly observe and assess whether the implementation is going in right direction as designed. Any new agency can also be recruited for the same.

6.7 After completion of the project/programmes/activities, BSEIDC should partner with a third party to conduct **Impact Assessment** study. Impact Assessment study drives to a conclusion whether the objectives of the project have been achieved or not. It also documents the socio-economic improvement and changes in quality of life of the beneficiaries. It also assesses the process of documentation, reporting, implementation, monitoring, beneficiaries' selection in line with the proposal/ needs assessment made beforehand, and all other aspects of the projects and gives a holistic view. It also documents what can be done to replicate the same programme with better results by the company.

7.0 UPKEEP AND MAINTENANCE OF ASSETS CREATED

Maintenance of Assets created under CSR would be the responsibility of the concerned States Governments and local institutions like Gram Panchayats. Before any capital investment is made, an undertaking would be taken from the representatives of local community that they would be responsible for regular maintenance of the assets created by BSEIDC. Major repair or renovation can be

supported by BSEIDC if the local institutions are not able to tackle the same. This should be complimented by continuous monitoring & evaluation by BSEIDC of all the assets created at least twice in a year. It should take place on regular basis during initial period.

8.0 POWERS OF APPROVAL

The Board of Directors on the recommendations of CSR Committee will approve the CSR Policy for the Company and the same will be displayed on the Company's web-site. Board of Directors shall also ensure that the activities included in the CSR Policy of the Company are duly undertaken by the Company.

BSEIDC LTD CSR POLICY 2015