



***CORPORATE SOCIAL RESPONSIBILITY POLICY 2021***

***OF***

**BIHAR URBAN INFRASTRUCTURE DEVELOPMENT  
CORPORATION LIMITED**

## Contents

1. Name
2. Background
3. Objective
4. Definitions
5. Meetings
6. List of Actives/ Objects
7. Quantum of Amount to be spent on CSR Activities
8. Implementation of Corporate Social Responsibility Activities
9. Composition of the Corporate Social Responsibility Committee
10. Role of Corporate Social Responsibility Committee
11. Modalities of Execution of Corporate Social Responsibility Activities
12. Reflection of the Corporate Social Responsibility Activities
13. General

### 1. **Name**

The Policy is called the “BUIDCO- Corporate Social Responsibility (CSR) Policy 2021”

### 2. **Background**

Corporate Social Responsibility (CSR) is a company’s sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods.

Bihar Urban Infrastructure Development Corporation Limited (the Corporation), through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate.

The Corporation believes in conducting its business responsibly, fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives. The Corporation has been making consistent efforts towards economic and social upliftment of the marginalized sections of society.

### 3. **Objective**

The main objective of this CSR Policy is to lay down guidelines to make CSR a key business process for sustainable development of the society and the environment in which it operates. It aims in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of the Corporation’s activities in India.

Further, the objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring for the CSR activities to be undertaken by the Company.

BUIDCo has developed this Corporate Social Responsibility (CSR) and Sustainability Policy in consonance with the CSR Policy framework enshrined in the section-135 of Companies Act, 2013 (Act) and in accordance with the Companies (CSR Policy) Rules, 2014 (Rules) and Companies (CSR Policy) Amendment Rules 2021 notified by Ministry of Corporate Affairs, Government of India.

#### 4. **Definition**

The terms defined in this **CSR Policy** shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility policy) Rules, 2014 including any statutory modifications or re-enactments thereof.

- a. “**Act**” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.
- b. “**Associate Company**” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: Significant influence means control of at least 20% of total share capital or of business decisions under an agreement.

- c. “**Administrative overheads**” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- d. “**Board**” means the Board of Directors of the Company.
- e. “**Company**” means “BIHAR URBAN INFRASTRUCTURE DEVELOPMENT CORPORATION”
- f. “**Corporate Social Responsibility (CSR)**” 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 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.

f. “**CSR Committee**” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

g. “**CSR Policy**” means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

h. “**CSR Rules**” means Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

i. “**Holding Company**” means a Company within the meaning of section 2(46) of the Companies Act, 2013.

j. “**Net profit**” means the net profit of the 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.

Further, in calculating the Net Profit for the CSR Activities, the Average Net Profit shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

k. “**Subsidiary Company**” means a Company within the meaning of section 2(87) of the Companies Act, 2013.

## 5. Meetings

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

## **6. List of Activities/ Objects**

The CSR activities undertaken by the company was mainly on:

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna
- Eradicating hunger, poverty and malnutrition
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
- Disaster management

Alongwith the above, the Company intends to carry out CSR activities for in any of the following:

1. Promoting gender equality, empowering women
2. Spending of CSR funds for COVID 19
3. Employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna

The CSR projects / programs / initiatives, to be undertaken must fall within the purview of the Schedule – VII of the Companies Act, 2013 (as modified from time to time).

The Company may undertake any of the following Activities/Projects or such other activities / projects, whether directly or indirectly, as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (CSR):

- a. 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;

- b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- c. 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;
- d. 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;
- e. 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;
- f. Measures for the benefit of armed forces veterans, war widows and their dependents;
- g. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- h. 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 scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- i. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j. Rural development projects.
- k. Slum area development.

Explanation: 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.

- m. Disaster management including relief, rehabilitation and reconstruction activities; and

- n. Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Companies Act, 2013 (the “Act”) as amended from time to time. (Collectively referred to as “CSR Activities”)

As per the general circular no.01/2021 dated 13.01.2021 and 10/2020 dated 23.03.2020 of Ministry of Corporate Affairs, spending of CSR funds for COVID 19, carrying out awareness campaigns/programmes for vaccination, etc. is an eligible CSR activity.

**However,**

- One-off events such as marathons /awards/ charitable contribution/ advertisement/ sponsorships of TV Programmes etc. do not be qualified as part of CSR expenditure.
- Expenses incurred by the Company for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) shall not count as CSR expenditure under the Companies Act.
- Salaries paid by the Company to regular CSR staff as well as to volunteers of the Company (in proportion to company’s time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.
- The CSR projects or programmes or activities undertaken on India only shall amount to Expenditure.
- The company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of all the collaborators are in a position to report separately on such projects or programmes in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014.
- The CSR projects or programmes or activities that benefit only the employees of the company and their families shall not be considered as CSR activities.
- The CSR projects or programmes or activities shall exclude the activities undertaken by the Corporation in its normal course of business.

**7. Quantum of Amount to be spent on CSR Activities**

- i. The Company shall spend in every financial year at least 2% (two percent) of the average net profits of the Company made during the three immediately preceding



financial years as calculated in accordance with Section 198 of the Companies Act, 2013 to the subject that the net profits of the company prior to enactment of this Act .shall not be required to be recalculated as per the aforesaid section.

However, 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 said amount.

- ii. CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall, whether directly or indirectly, within the purview of Schedule VII of the Act.
- iii. Any surplus arising out of CSR projects or programs or activities shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR activities only.

#### **8. Implementation of Corporate Social Responsibility Activities**

- i. The Board may decide to undertake its CSR activities approved by the CSR Committee either 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 80G of the Income Tax Act, 1961 established by the company either singly or alongwith other company or (b) a company established under section 8 of the Act or a registered public trust or a registered society, established by the central Government or the State Government or (c) any entity established under the 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 must have track record of atleast 3 years in undertaking similar activities.
- ii. Every entity, covered above who intends to take CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from 01.04.2021
- iii. The Company may build CSR capabilities of its personnel as well as those of implementing agencies through institutions with established track records of at least

three financial years but such expenditure shall not exceed 5% of the total CSR expenditure of the company in one financial year.

iii. The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.

iv. The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.

v. Subject to provisions of subsection (5) of section 135 of the Act, CSR projects or program or the activities undertaken in India shall amount to CSR expenditure.

vi. The CSR projects or program or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

#### **9. Composition of the Corporate Social Responsibility Committee**

The following three (3) Directors shall be the members of CSR Committee

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|--|----------|
| 1. Principal Secretary, Urban Development & Housing department | Chairman |
| 2. Managing Director, BUIDCO                                   | Member   |
| 3. Independent Director, (Expert in the field of Finance)      | Member   |

However the Board of Directors of the Company shall have the power to make any changes in the constitution of the CSR Committee.

#### **10. Role of Corporate Social Responsibility Committee**

The Committee shall carry out of the following functions:

- (a) recommend the CSR Policy to the Board;
- (b) identify the projects/activities to be undertaken by the Company for CSR
- (c) recommend to the Board CSR Activities to be undertaken along with detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- (d) monitor the CSR Policy of the Company from time to time;
- (e) ensure compliance of CSR Policy;
- (f) Such other functions as may be delegated by the Board from time to time

**11. Modalities of Execution of Corporate Social Responsibility Activities**

- The Committee shall recommend to the Board the CSR Activities to be undertaken for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
- The Committee, after approval, shall submit the yearly report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.
- The committee may formulate a sub-committee or delegate to any officer or officers of the company the responsibility and authority to monitor the CSR programmes or activities of the company and to present a report to the committee thereat.

**12. Reflection of the Corporate Social Responsibility Activities**

- The CSR activities would be reflected in the Board Report.
- The annual report of the CSR activities along with the contents of the CSR policy of the Company shall be displayed on the Company’s website.

**13. General**

- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference can be made to CSR Committee. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Government, from time to time.
- The Board of Directors of the Company reserves the right to modify, cancel, add, or amend any of these Rules.

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