

Bihar State
Beverages
Corporation
Limited

Corporate Social Responsibility (CSR) Policy

1. Context

The term "Corporate Social Responsibility (CSR)" can be referred as corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare.

Bihar State Beverages Corporation has started its operation in the financial year 2006 and in a very short period of time its turnover has reached to a level of Rs. 2614 crore during the financial year 2012-13. From the inception of the corporation, BSBCL has been contributing towards CM relief Fund for helping during natural disasters and any other calamities and social causes as well as other charitable work. Thus, Corporate Social Responsibility has always been on its agenda. Further pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having net worth of Rs. 500 crore or more or turnover of Rs. 1,000 crore or more or net profit of Rs. 5 crore or more shall constitute Corporate Social Responsibility Committee ('CSR Committee') and the CSR Committee shall formulate and recommend Policy.

The CSR Committee so constituted formulated Policy on Corporate Social Responsibility (CSR Policy) and recommended the same to the Board of Directors of the Company ('Board') for its approval.

2. the Objectives of the Policy

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- Creating opportunities for employees to participate in socially responsible initiatives.

3. Definitions.

In this Policy unless the context otherwise requires:

- (a) "Act" means the Companies Act, 2013;
- (b) "Annexure" means the Annexure appended to these rules;
- (c) "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 (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.
- (d) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act
- G) "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.
- (f) "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;
 - (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

(2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

4. CSR Activities

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
- ii. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently unable & livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- iv. Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- v. Providing with hospital and dispensary facilities with more focus on clean and good

sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;

vi. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;

vii. Employment enhancing vocational skills

viii. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;

ix. Measures for the benefit of armed forces veterans, war widows & their dependents;

x. Training to promote rural sports, nationally recognized sports, sports & Olympic sports;

xi. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;

xii. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;

xiii. Rural development projects, etc

The Above list is illustrative not exhaustive. The company will also work towards Prohibition of liquor, voter awareness and contribute towards C.M relief fund which shall be a part of CSR activities other than the activities mentioned above. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society.

5. SCOPE

A Education.

- i) Support to Technical /Vocational Institutions for their self -development.
- ii) Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools.
- iii) Adult literacy amongst those belonging to BPL.
- iv) Awareness Programmes on girl education.
- v) Counseling of parents
- vi) Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.
- vii) Spreading legal awareness amongst people and disadvantageous sections of the society about their rights & remedies available.
- viii) Promotion of Professional Education by setting up educational Institutions offering courses in Engg, Nursing, Management,
- ix) Medicine and in Technical subjects etc. BSBCL will ask for Reservation of seats for BSBCL's nominated students considering their different aspects.
- x) Provide fees for a period of one year or more to the poor and meritorious, preferably girl students of the school in the operational area of the Company to enable them to get uninterrupted education.

B Water Supply including Drinking Water:

- i) Installation/Repair of Hand Pumps/Tube Wells.
- ii) Digging/Renovation of Wells.
- iii) Gainful utilization of waste water from Under -ground Mines for Cultivation or any other purpose.
- iv) Development/construction of Water Tank/Ponds.
- v) Rain water-harvesting scheme.
- vi) Formation of a Task Force of Volunteers to educate people regarding
- vii) Proper use of drinking water.
- viii) Empowerment to the villagers for maintenance of the above facilities for availability of water.

C. Health Care :-

In matters relating to

- i) AIDS TB and Leprosy
- ii) Social evils like alcohol, smoking, drug abuse etc.
- iii) Child and Mother care
- iv) Diet and Nutrition.
- v) Blood donation camps.
- vi) Diabetics detection & Hypertension Camps
- vii) Family Welfare.
- viii) Senior Citizen Health Care Wellness Clinics.
- ix) Fully equipped Mobile Medical Vans.
- x) Tele medicine
- xi) To supplement the different programme of Local/State Authorities.
- xii) Along with De addiction centers

D. Environment

- i) Organizing sensitizing programmes on Environment Management and
- ii) Pollution Control.
- iii) Green belt Development
- iv) A forestation, Social Forestry, Check Dams, Park.
- v) Restoration of mined out lands.
- vi) Development of jobs related to agro product i.e., Dairy/Poultry/farming and others.
- vii) Plantation of saplings producing fruit.
- viii) Animal care.

E. Social Empowerment.

- i) Self /Gainful Employment Opportunities – Training of Rural Youth for Self Employment (TRYSEM) on Welding, Fabrication, and other Electronic appliances.
- ii) To provide assistance to villagers having small patch of land to develop mushroom farming, medicinal plants, farming & other cash crops to make them economically dependent on their available land resources.
- iii) Training may be provided by agricultural experts for above farming.
- iv) Organizing training programmes for women on tailoring Embroidery designs,
- v) Home Foods/Fast Foods, Pickles, Painting and Interior Decoration and other
- vi) Vocational Courses.
- vii) Care for senior citizens.

- viii) Adoption/construction of Hostels (specially those for SC/ST & girls)
- ix) Village Electricity/Solar Light
- x) To develop infrastructural facilities for providing electricity through Solar Lights or alternative renewal energy to the nearby villages. Recurring expenditure should be borne by the beneficiaries.
- xi) Pawan Chakki as alternative for providing electricity in villages, etc.

F Sports and Cul ture

- i) Promotion of Sports and Cultural Activities for participation in State and National level.
- ii) Promotion/Development of sports activities in nearby villages by conducting Tournaments like Football, Kabaddi and Khokho, Cricket etc.
- iii) Providing sports materials for Football, Volleyball, Hockey sticks etc. to the young and talented villagers.
- iv) Promotion of State level teams.
- v) Sponsorship of State Sports events in Bihar.
- vi) Sponsorship of Cultural event to restore Indian Cultural Traditions and Values.
- vii) Possibility of providing facilities for physically handicapped persons may be explored.
- viii) Medias for preparing of documentary films.
- ix) Guide-lines to be followed to promote sports activities by way of granting financial assistance/donation/sponsorship etc.
- x) Registered Clubs/Institutions which promote Sports activities may be granted financial assistance/donations/sponsorship based on the following norms:-
 - 1) Sports talent development programme by Clubs/Institutions may be encouraged provided the proposal is routed through the respective Government Authorities/Block Development Office/Sub-Divisional Office/District Office/State Associations/ local people representatives i.e. Panchayat , Pradhan/Mukhiya/MLA/MP/ Minister etc., to ascertain bonafide objective, status of activities and contribution to the society.
 - 2) Helping State Government in promotion of sports by providing them proper training facilities, grounds, construction of fields,etc.
 - 3) While sanctioning financial assistance/donation/sponsorship for State/ National/International events, BSBCL could send its representatives to ensure proper utilization of fund for the specific purpose, as well as, to ensure publicity/coverage for corporate image building.
 - 4) As per the Government policy for payment of financial assistance/donation/ sponsorship Registered Clubs/Institution will furnish details as required by BSBCL. i.e. their Registration, PAN No. etc. to establish their authenticity.
- xi) Generate self-employment.
- xii) Infrastructure Support – construction, repair, extension etc. of:-
 - i. Auditorium,
 - ii. Educational Institutions
 - iii. Rural Dispensaries initiated by reputed NGOs.
 - iv. Mobile Crèches.
 - v. Bridges, Culverts & Roads,
 - vi. Check Dam
 - vii. Shopping Complex to facilitate business/self employment for local people
 - viii. Community Centre,

- ix. Sulabh Souchalaya,
- x. Yatri Shed in Bus Stand,
- xi. Burning Ghat/Crematorium
- xii. Development of Park
- xiii. Play ground/Sports complex/Good Coaches.
- xiv. Old Age Home.

5. The Geographic reach

The Act provides that 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. The Company will thus give preference to conducting CSR activities in the state of Bihar herein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

6. Annual spends/Allocation of Funds Annual spends/Allocation of Funds

1 The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

2 The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

3 However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

7. CSR Committee

The CSR Committee will consist of four Directors, who shall meet at least twice in a year to discuss and review the CSR activities and policy. The quorum shall be two members are required to be present for the proceeding to take place. The Chairperson and members of the committee of the committee are as follows:

Sl. No.	Members	Chairman/Member
1.	Secretary, Finance (Resources)	Chairman
2.	Secretary Registration, Excise & Prohibition Dept.	Member
3.	Excise Commissioner	Member
4.	Managing Director, BSBCL	Member

8. Scope And functions of CSR Committee

The CSR committee will recommend a formal CSR Policy, this document and will recommend particular CSR activities, set forth a budget, describe how the company will implement the project, and establish a transparent means to monitor progress.

9. Administration of CSR Projects

The Corporation can meet its CSR obligations by funneling its activities on its own or through a third party, such as a society, trust, foundation or Section 8 company (i.e., a company with charitable purposes) that has an established record of at least five years in CSR-like activities. Companies may also collaborate and pool their resources, which could be especially useful for small and medium-sized enterprises. Managing Director will have the power to sanction any project for CSR up to a limit of 7.5 lakhs, above which Board's approval will be required to sanction the amount.

10. Implementation:

- a) The investment in CSR should be project based and for every project time framed periodic mile stones should be finalized at the outset.
- b) Project activities identified under CSR are to be implemented by Specialized Agencies and generally NOT by staff of the organization. Specialized Agencies could be made to work singly or in tandem with other agencies.
- c) Such specialized agencies would include:
 - i) Community based organization whether formal or informal.
 - ii) Elected local bodies such as Panchayats
 - iii) Voluntary Agencies (NGOs)
 - iv) Institutes/Academic Organizations
 - v) Trusts, Mission etc.
 - vi) Self-help groups

- vii) Government, Semi Government and autonomous Organizations.
- viii) Standing Conference of Public Enterprises (SCOPE)
- ix) Mahila Mondals/Samitis and the like Contracted agencies for civil works Professional Consultancy Organization etc.

11. FUNDING

1. As per the regulations the company will set aside, for annual CSR activities, an amount of at least 2% of the average net profits of the Company made during the three immediately preceding financial years. Any unutilized CSR allocation fund of a particular year, will be carried forward to the next financial year i.e. the CSR budget will be non lapsable in nature.
2. The tax treatment of CSR spent will be in accordance with the Income Tax Act, 1961 as may be notified by the central board of Direct taxes.

12. Budget

I. The Company Board of Directors shall ensure that in each financial year the Company spends at least 2% of the average Net Profit made during the three immediate preceding financial years.

“Net profit” means the net profit as per the financial statement of the company prepared in accordance with the applicable provisions of the Act, but shall not include the following:

- (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.

II. As per section 135 of the Companies Act, the Company will report reasons for under spending of the allocated CSR budget of the current financial year in the template provided by the Ministry of Corporate Affairs. This reporting will be done Annual Report and signed off by the Board of Directors.

III. In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company

IV. The Company may collaborate or pool resources with other companies to undertake CSR activities, through any non-profit organization, if required.

13. Amendments to the policy

The Board of Directors on its own and/or on the recommendation of CSR committee can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.