

## **CSR Committee Composition**

**Chairman** – Shri Bipin Shrimali, IAS (MD – MPBCDC)

**Member** – Shri Prashant Narnavare, IAS (commissioner – Social Justice)

**Member** – Shri Dinesh Dingale,

(Dy. Secretary- Department of Social Justice & Special Assistance)

**Corporate Social Responsibility (CSR Policy )**

**MAHATMA PHULE BACKWARD CLASS DEVELOPMENT CORPORATION LTD**



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## **1. CORPORATE PHILOSOPHY**

1. Mahatma Phule recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its shareholders and other stakeholders.
2. The CSR Policy shall be guided by the Companies corporate vision and the aspiration to be the Trustee of Choice for Customers, Investors, Employees and Community.
3. The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act 2013 and the rules framed thereunder. The Policy shall apply to all CSR programs undertaken/sponsored by the company executed through any NGO, Trust and to the contributions made by company to Prime Minister's National Relief Fund or any other fund set up by the Government.
4. Promotion of educational and economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections. The State shall promote with special care the educational and economic interests of the weaker sections of the people, and, in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation.

## **2. DEFINITION**

- 2.1 "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;
- 2.2 "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

2.3 "Ongoing Project" means a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

2.4 "Act" means the Companies Act, 2013 (18 of 2013);

2.5 "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

(a) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that

(i) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

(ii) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

(b) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

(c) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

(d) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

(e) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

(f) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

2.6 "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

2.7 "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

2.8 "CSR Expenditure" shall include all expenditure including for 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 within the purview of Schedule VII of the Act.

2.9 "Average Net Profit" shall be calculated in accordance with the provisions of Section 198 of the Act.

### **3. CSR PURPOSE STATEMENT**

To make a meaningful and measurable impact in the lives of underprivileged and vulnerable communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. This policy also aims to promote literacy among the disadvantaged and differently-abled people.

### **4. CSR GUIDING PRINCIPLES**

1. To create meaningful socio-economic impact in the lives of vulnerable and underprivileged sections of the society that include differently-abled, street children, destitute women, children of sexually exploited women and people suffering from natural disasters.
2. To create sustainable livelihood, as stated above, through interventions that facilitate access to Government's programs, schemes and infrastructure, particularly relating to the areas of education, natural resource management, agriculture, horticulture and livestock development, micro-enterprise, vocational training and skill development.
3. To ensure project management through application of results-based management approach, focusing on appropriately defined systems and processes that measure the impact of the various projects and activities.
4. To develop as a learning organization through focus on documentation, qualitative research and dissemination to internal and external stakeholders.

### **5. CSR PROGRAMME AREAS**

Mahatma Phule will support programs and activities in the following areas for the upliftment of economically and socially backward classes in Maharashtra.

### **1.1. Education**

a. **Special Ashram and Residential School and education:** Support basic, secondary and vocational education for children and youth with disability. Increase outreach to the disabled and provide them with access to education (at the primary, secondary and higher secondary levels) and vocational training.

b. **Access to quality education for street children and children of sexually-exploited women:** Provide education to street children and children of sexually exploited women and facilitate access to age-appropriate formal education and vocational opportunities.

### **1.2. Vocational education and training**

a. **Support vocational education, life skill coaching and career counselling:** Provide orientation and handholding support to children of secondary and higher secondary level on available career options, and employable vocational and technical skills.

b. **Skill development through vocational education and training:** Provide skilling, re-skilling and multi-skilling support to youth for gainful employment.

**2. Institution to person with disability :** Providing relief and care for victims or disability person. It also seeks to create a trained community of service providers who can provide immediate assistance to person with disability.

**3. Hostels:** Company will support making hostels in India.

4. Any other activities, which may be permitted under Companies Act, 2013.

## **6. CSR BUDGET**

6.1. The CSR Committee will abide by the provisions relating to annual expenditure on CSR activities as laid down in Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

6.2. As stated under Section 135 (5) of The Companies Act, 2013, Mahatma Phule shall ensure that it spends, in every financial year, at least two percent or more of the average net profits made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.

6.3. The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

6.4. Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and Plan of the company or the company may transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

## 7. EXCESS CSR SPEND

7.1. Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

(i) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.

(ii) The Board of the company shall pass a resolution to that effect.

7.2. The CSR Budget for the corresponding financial year, will be updated, with due consideration, in the CSR Plan & revised each financial year.

## 8. ACQUISITION OF CAPITAL ASSET

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

(a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority:

## 9. Unspent Corporate Social Responsibility Account and Transfer to Fund

### A. ONGOING PROJECTS:

The Board of Directors shall open an Unspent Corporate Social Responsibility Account to be held by the Company in a Scheduled Bank. The following transfers shall be permitted into the Account:

Amount permitted for transfer	Due date for Transfer
Unspent CSR amount assigned /related to any ongoing projects	Within 30 days of the closure of the Financial Year
Surplus arising out of any CSR activities	Within 6 months of the closure of the Financial Year

### B. NON-ONGOING PROJECTS:



The following amounts shall be transferred to a Fund specified under Schedule VII to the Act or such Account as specified by the Government in this regard:

<b>Amount to be transferred</b>	<b>Due date for transfer/spent</b>
Unspent CSR amount not assigned /related to any ongoing projects	Within 6 months of the closure of the Financial Year
Any unspent amount remaining in the Unspent CSR Account	Shall be transferred by Company within 30 days of completion of 3 (three) years from the date on which the amount was transferred to the Unspent CSR Account

**C. FUNDS PERMITTED FOR TRANSFER OF UNSPENT CSR AMOUNT:**

As per the Schedule VII to the Companies Act, 2013, the Unspent CSR Amount can be transferred to any one or more of the Funds specified under the said Schedule, including but not limited to:

1. Swach Bharat Kosh
2. Clean Ganga Fund
3. Prime Minister's National Relief Fund
4. Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)
5. 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

**10. VALIDITY OF CSR POLICY**

The Committee may amend the CSR Policy as may be required from time to time.

**11. ROLE OF CSR COMMITTEE**

The Corporate Social Responsibility (CSR) Committee as constituted by the Mahatma Phule Board shall formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) The broad CSR focus areas or activities that are to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) The manner of execution of such projects or programmes
- (c) The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) Determining the manner and classification of projects as ongoing projects and expenditure schedule thereon
- (e) Monitoring and reporting mechanism for the projects or programmes; and
- (f) Details of need and impact assessment, if any, for the projects undertaken by the company:

*Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.*

## 12. ROLE OF BOARD

The Mahatma Phule Board shall constitute a CSR Committee consisting of two or more Directors, pursuant to the section 135(1) of the Companies Act, 2013 and shall undertake all the activities specified under the CSR Rules, from time to time/

The Board shall additionally oversee the below;

1. After taking into account the recommendations made by the Corporate Social Responsibility Committee (as constituted above), approve the Corporate Social Responsibility Policy for the company and disclose the contents of such Policy in its report and also place it on the company's website -<https://sjsa.maharashtra.gov.in/en/search/node/CSR> in such manner as may be prescribed;
2. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access as notified by the prescribed rules of the Act;
3. Ensure that the activities included in the CSR Policy are in compliance with the activities in Schedule VII of the Act;
4. Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company; and
5. Monitor the implementation of the project and make modifications, if any, for the smooth implementation of the project.
6. If the company fails to spend the said amount, disclose reasons for not spending such amount, in its report under clause (o) of sub - section (3) of Section 134, of The Companies Act, 2013 and also transfer such unspent amount to the applicable Fund, within the timelines as laid out under the provisions of Section 135(5) and 135(6) of the Companies Act, 2013.
7. The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the person responsible for financial management shall certify to the effect.

## 13. REPORTING FRAMEWORK

1. The progress of CSR projects and expenditure will be reviewed by the CSR Committee at such intervals as deemed fit..
2. The Company will report on CSR performance in its annual report as per the structure and format prescribed in the notified CSR Rules.

## 14. CSR ACTIVITIES

The Company's CSR Policy would encompass all the activities listed under Schedule VII of the Companies Act, 2013 **including any amendment from time to time**. However, the Company may shortlist any of the below listed focus areas to create a sustainable & meaningful impact & to align

with the Communication and Business Strategy of the Company:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh' set-up by the Central Government for promotion of sanitation and making available safedrinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled, and livelihood enhancement projects;
3. 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;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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;
5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information

Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs),

10. Rural development projects.
11. Slum Area Development („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).
12. Disaster management including relief, rehabilitation and reconstruction activities.
13. Undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
  - (a) Such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
  - (b) Details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;
14. Undertaking training of Indian Sports Personnel representing any State or Union Territory at National Level or India at international level
15. Such other matters as may be notified by the Ministry of Corporate Affairs from time to time.

## **15. IMPACT ASSESSEMENT**

In the event of the Company’s average CSR obligation exceeding Rs. 10 Crores or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

15.1 The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

15.2 A Company undertaking impact assessment as per above criteria, may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

## **16.EMPLOYEE ENAGAGEMENT**

Mahatma Phule Voluntary encourages its employees to volunteer for/participate in social causes. Employees are free to offer suggestions and pass on recommendations as well as be a part of related activities in the short listed focus areas, under the Company’s CSR Policy. The Company, will make all efforts to engage its employees to participate in and promote the causes that it endorses, under its CSR outreach, across all its locations & business centers.

## **17. MONITORING OF CSR PROGRAM/ ACTIVITIES/ PROJECTS**

The following steps may be undertaken for monitoring of the Company's CSR programme:

- a) The CSR Committee will review the progress on the CSR initiatives and discuss the budgetary utilization on a periodical basis. This meeting may include the relevant NGO/Partners, if required by the CSR Committee.
- b) The CSR Committee will present the progress periodically to the Board as part of the regular board meetings.
- c) In order to ensure that the amounts spent by the Company on CSR activities get properly utilized for the projects for which they are earmarked, the Committee may nominate two to three officials from the Company to monitor the actual implementation of those projects, depending on the scale of the project.

## **18. SHORTLIST CRITERIA**

The Company will partner only with entities registered with the Central Government through CSR-1 norms with effect from the 01<sup>st</sup> day of April 2021. A CSR Association Form will have to be filled-in and submitted by any partner / vendor, to help the Company evaluate and screen CSR proposals for possible association, as appended in Annexure B of the Policy.

## **19. CSR GOVERNANCE STRUCTURE**

### **Roles and responsibilities: Board of Directors**

The Board of Directors of the Company will be responsible for:

1. Approval of the CSR Policy of the Company.
2. Disclosure of the Policy in its report and placing the same on the Company's website as prescribed under Section 135 of the Companies Act 2013.
3. Ensure that it specifies the reasons in its report for not spending the earmarked amount in case the Company does not spend such amount during the financial year.
4. It will have the power to make any change(s) in the constitution of the CSR Committee.

### **Monitoring and Reporting Framework**

The company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project has:

1. Clear objectives developed out of societal needs that are determined through baselines studies and research.
2. Precise targets, time lines and measureable parameters wherever possible.
3. A progress monitoring and reporting framework aligned to the requirements of Section 135 of the Companies Act.

### **Budget Monitoring**

1. The Company will establish an accounting system to ensure project-wise accounting of CSR spends.