

BPSCL Corporate Social Responsibility Policy 2014-2015.

1. Preamble

- 1.1 Corporate Social Responsibility (CSR) is company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner, whereby organizations serve the interests of society by taking responsibility for the impact of their activities.
- 1.2 BPSCL recognizes direct and indirect impact of its business activities on the society and strives to integrate its business values and operations a way of conducting business, which enables the creation and distribution of wealth for the betterment of its stakeholders in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders. It is also committed to continuously upgrade its CSR endeavors to make positive impact on the society.
- 1.3 Stakeholders include investors, shareholders, customers, business partners, clients, civil society groups, Government and non-government organizations, local communities, environment and society at large.

2. Objectives

- 2.1 Create value for the stakeholders & society that are fundamentally linked to BPSCL's core business strategies and operations through its services, conduct & initiatives for their sustainable development.
- 2.2 Enhance value creation for the community in which it operates by identifying with the hamlet and foster goodwill from those living along the pipeline towards the Company by enhancing the quality of life of people in the direct impact zone.
- 2.3 Support the community by assisting the underprivileged
- 2.4 Carry out developmental initiatives in order to meet the calls of the present without compromising the ability of future to meet its needs
- 2.5 Support local populace by building the image of BPSCL as patron of diverse pastoral sports, art & cultures.

2.6 To operate in a socially, environmentally and economically responsible manner, so as to succeed by seeking social license.

3. Strategy

3.1 The thrust of CSR will clearly be on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions, and up-liftment of the marginalized and under-privileged sections of the society.

4. Organisation setup for CSR

4.1 CSR projects in the Company will be implemented under the guidance of CSR Committee (*Board level committee*) which comprises of 03 (Three) Directors. Major responsibilities of CSR Committee includes followings:

- a) Formulate and recommend CSR policy to the Board.
- b) Recommend the amount of expenditure to be incurred on the activities each financial year.
- c) Monitor the CSR Policy of the company from time to time.

4.2 An officer one rank below the Board level will facilitate/coordinate Company's CSR initiatives and will be assisted by a team of designated officials.

5. Scope of CSR activities

5.1 The scope of BPSCL's CSR interventions would be as per the provisions made under Companies Act, 2013, Companies (CSR Policy) Rules, 2014 and circulars issued under the Act from time to time. The scope of BPSCL CSR activities would be as defined by the provisions of Schedule VII of the Companies Act, 2013 which is detailed below:

- a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b. Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and differently able and livelihood enhancement projects;

- c. Promoting gender equality and empowering women, setting up homes and hostel 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;
- e. Protection of national heritage, art and culture including restoration of building 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 windows, and their dependants;
- g. Training to promote rural sports, nationally recognised sports, Paralympics 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. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j. Rural development projects.

5.2 Distribution of CSR budget among the above stated focus areas will depend on the priorities prevailing during the specific fiscal.

5.3 In line with the Ministry of Corporate Affairs (MCA) Circular no.21/2014 dated 18.06.2014, one-off events such as marathons/ awards/ charitable contributions/ advertisements/ sponsorship of TV programs /events involving celebrities, specifically for entertainment purposes, etc. would not qualify as CSR activities.

6. Geographical coverage

6.1 CSR initiatives will be taken up primarily in the peripheral areas/direct impact zones of *BPSCL Plant*. However, few projects may also be undertaken on Pan India basis as deemed fit.

7. Budget & Expenditure

- 7.1 CSR Budget shall be allocated during each financial year by the Board of Directors/CSR Committee. Company shall spend at least 2% of the average net profit made during immediately preceding three financial years on its CSR activities as per the provisions of Companies Act, 2013.
- 7.2 Every endeavor shall be made to spend the entire yearly budget on CSR activities in that year itself.
- 7.3 At least 80% of the annual expenditure will be incurred on CSR projects undertaken by the Plant in their direct impact zone (periphery) with the remaining expenditure being made on Pan India basis.
- 7.4 In line with the clause 4(6) of Companies (CSR Policy) Rules, 2014, an expenditure not exceeding 5% of the annual CSR expenditure may be made towards capacity building as provided for in the said clause of the statute.
- 7.5 An amount as deemed fit by the Board, may be kept in reserve out of the CSR budget for contributing towards Natural calamity relief work in case of such unfortunate incident taking place in the country. If remained unutilized till the 3rd quarter, this fund may be used for carrying out other CSR activities in the last quarter of the financial year.
- 7.6 Any surplus arising out of CSR projects shall not form part of the business profits of the company.
- 7.7 The financial sanctioning authority of each CSR project/scheme will be as per the following delegation of powers (DOP):

Sl. No	Designation	Financial Powers [Per case/proposal- in consultation with finance (ICWF)]
1	Board Committee for Personnel	Up to ₹.15 Lakh
2	CEO	Up to ₹.10 Lakh
3	GM (P&A)	Up to ₹. 5 Lakh

- 7.8 BPSCL will provide financial support to numerous schools in the vicinity of its Plant. The expenditure incurred on this front will be

booked under CSR. Such schools where wards of BPSCL employees are also studying, the expenditure incurred on the wards of non-BPSCL employees only would be reckoned for this purpose, calculated on pro-rata basis.

- 7.9 BPSCL will extend health care facilities to the poor masses residing in the periphery of its Plant in the form of regular health camps. The expenditure incurred towards providing these facilities will be booked under CSR.
- 7.10 In line with the clarification provided vide point (iv) of the General Circular No. 21/2014 dated 18.06.2014, salaries paid to the regular CSR employees who are working exclusively for CSR activities of the company, will be factored as part of the CSR expenditure.
- 7.11 The expenditures mentioned at point no. 7.8, 7.9 & 7.10, above would, however, not depend upon the CSR budget allocation and will only be accounted while calculating the overall CSR expenditure of the company.

8. Planning (Procedure for identifying of projects)

- 8.1 Identification of CSR projects/activities at Plants & Units/ Corporate level will be done by any one or combination of the following:
 - a. In-house planned projects.
 - b. Proposals from District Administration/local Govt. body/public representatives etc.
 - c. Proposals/Requests from a registered & specialized body for providing financial assistance for carrying out specific CSR initiative subject to the condition that it fulfils the criteria as prescribed in the statute in this regard. A CSR activity through this mode would only be permissible when it is planned to be carried out in project mode. These Proposals should be considered only after checking the credibility of the associated agency and the quality of its job as per the following procedure:
 - i. Evaluation of necessary documents.
 - ii. Site visits shall necessarily be made for projects having financial implication above ₹. 5 Lakh s and only when the visit report is found to be favorable; such projects should be processed ahead.
 - iii. For projects exceeding ₹. 10 Lakh, the site visit must be conducted by a cross functional group of officials of the Plant consisting of at least one representative each from the CSR Plant Committee duly constituted with the approval of CEO and Finance department for assessing the performance of the agency

in terms of value for money. It should be clearly mentioned in the proposal that whether similar projects have earlier been carried out by the agency or not.

- iv. With reference to point 8.1 c (iii) above, if similar projects have been/are being carried out by the agency at other location(s), the officials of the Plant processing the proposal should visit such site and shall record in writing the location, the organisation which is supporting the project, a brief regarding the pre project status of the target beneficiaries, the improvements brought out during implementation/after completion of the project gathered through interaction with the beneficiaries, comments of concerned official of the donor organisation regarding the performance of the agency, in the visit report.
- v. With reference to point 8.1 c (iii) above, if similar projects have not been carried out by the agency earlier, then the quality of the work done by the agency in the past shall be assessed by the same process as mentioned at point 8.1 c (iv) above by visiting any other appropriate project carried out by the agency.
- vi. The visit report (With reference to point 8.1 c (iii) above) must be accompanied with relevant facts, figures, comments of the beneficiaries (mentioning name & other details) & donor's representative (mentioning name & designation) regarding the quality of the work done, photographs, etc. establishing the quality/credibility of the job carried out by the agency
- vii. The administrative cost as percentage of the total project cost should be within reasonable limits depending upon the nature of the project and shall be well justified in the proposal if it is more than 15%.

8.2 On the basis of identified CSR activities/projects, the CSR Annual Plan will be prepared by the CSR Plant Committee well in advance.

8.3 The so formulated Annual Plan will be scrutinized and examined by the Senior Level CSR Plant Committee duly constituted with the approval of CEO. After moderation, if any, and compilation, it shall be put up to the CSR Committee constituted under Section 135 (1) of the Companies Act 2013 and Section 5 of the Companies (CSR) Rules, 2014 for its consideration and necessary modification if any, advised by the said Committee.

- 8.4 The Annual Plan thus finalized shall then be recommended in such form as deemed fit by the CSR Committee to the BPSCL Board for its approval. Once approved by the Board, the Annual CSR Plan would be incorporated in the CSR Policy of the respective year.
- 8.5 All efforts should be made to finalize the Policy before commencement of the financial year.
- 8.6 The plan as approved by the Board shall then be communicated for implementation.
- 8.7 The CSR Annual Plan may, however, be amended/modified at any time during the financial year as per the procedure laid at point (8.1) to (8.4) above.

9. Execution & Implementation methodology

- 9.1 The CSR activities/projects listed in the approved Annual Plan shall be implemented using internal resources or through an identified suitable agency or through providing financial assistance to NGOs/specialized agencies/trusts/institutions/foundations/societies/bodies etc. in accordance with the provisions of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.
- 9.2 CSR activities may also be undertaken through agencies as defined at Section 4 (2) and Section 4 (3) of the Companies (CSR) Rules, 2014.
- 9.3 Except in cases where the CSR project is to be carried out by providing financial assistance to a specific agency, the external implementation partner should be identified following the due procedure in this regard.
- 9.4 Preferably, executing agencies having strong credentials like good track record, relevant experience, recommendation by Govt./other PSUs etc. shall be engaged for undertaking CSR project/schemes.
- 9.5 In all such cases where the CSR projects/schemes are to be implemented through external agency(s), the Plant will be required to specify appropriate Terms & Conditions or to enter into an agreement with the executing/implementing agency as the case may be. The said terms and conditions/agreement shall necessarily include the payment provisions related to monitoring as indicated in the following clause.

10. Monitoring Mechanism

- 10.1 Primarily the CSR Nodal Officer, who is also group head of Senior Level CSR Plant Committee, shall be responsible for monitoring of

CSR activities at every stage. The CSR Plant Committee shall also keep a check and take stock of the progress of CSR projects/programs from time to time and shall take necessary corrective measures if required.

- 10.2 To ensure effective implementation of the CSR programmes undertaken at Plant, a monitoring mechanism will be put in place by the Plant. The progress of CSR programmes under implementation will be reported to the CSR Committee on monthly basis.
- 10.3 For all the projects, the base line/pre-implementation phase data/status in terms of measurable parameters must be documented along with relevant photographs (if possible) before commencement of the project. In case the project is being implemented through external agencies, the base line data shall be collected through in house resources/by engaging a third party.
- 10.4 The CSR projects should include well defined milestones in terms of measurable parameters (preferably in line with the parameters defined for base line study). For projects having duration of one year or more, the time interval between two successive milestones shall not be more than 3 months.
- 10.5 The payments to the external agencies, as the case may be applicable, shall be made in installments which shall necessarily be inter-twined in appropriate proportion with the achievement of the milestones. However, in case of job being done through Govt. Agencies, the mutually agreed payment terms would be applicable as decided on case to case basis.
- 10.6 The Nodal Officer of the Senior Level CSR Plant Committee will inter-alia; keep track of the progress of the CSR projects/activities on a regular basis through status check against the predefined milestones of the project. If possible, the peripheral area should be divided into zones and a Project Manager be made responsible for progress of CSR project of the concern zones. A regular site visits and feedbacks from the targeted beneficiaries are prerequisites.
- 10.7 The impact created by the project shall necessarily be documented and shall include the development/up-gradation achieved in respect of the parameters corresponding to base line data and intermediary milestones (wherever possible) along with relevant photographs. To

assess the impact of strategic and high value CSR schemes/projects, specialised independent professional institutions/agencies shall preferably be engaged.

- 10.8 To maintain transparency, details of every project i.e. base line data, targeted beneficiaries, intermediate milestones, targeted outcomes, completion schedule, payment plan, fund utilisation certificates, project completion certificates, Impact assessment etc. should be maintained as prescribed under the Company's rules so that they are available for any cross checks and future scrutiny.
- 10.9 A consolidated progress report of CSR activities at Plant [in reporting format as prescribed under Companies (CSR Policy) Rules, 2014] will be provided by the Nodal Officer to the CEO on quarterly basis which shall then be put up for consideration of the CSR Committee. On the basis of progress report, the CSR Committee may recommend appropriate action with respect to any project/activity of the Policy.
- 10.10 The Plant may also propose any addition/deletion/modification (with proper justification) of project/activity after getting it duly recommended from the respective competent authorities for inclusion in/removal from the CSR Policy. On receipt of such proposals, CSR Committee may consider recommending suitable modification in the CSR Policy for approval of the Board.

Reporting

- 11.1 Contents of the CSR Policy would be disclosed in Director's report and same shall be displayed in the company's website, in the prescribed format.
- 11.2 The Board's report will include the following:
- a) A brief outline of the CSR policy, including overview of projects proposed to be undertaken and a reference to the web link to the CSR Policy and projects.
 - b) Composition of the CSR Committee
 - c) Average net profit for last three FYs
 - d) Prescribed CSR Expenditure [As stated at point 6(i) above]
 - e) Details of CSR spent during the financial year in the prescribed format

- f) In case the company fails to spend the 2% of average net profit of the last three FYs or any part thereof, Board Report shall disclose reasons for the same.
- g) A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.
- h) The report would be signed by:
 - Chief Executive Officer ; or
 - Chairman of CSR Committee

11. Miscellaneous

12.1 The Company reserves the right to modify, cancel, add, or amend any of the provisions of this policy in accordance to the prevailing statute.

12.2 Notwithstanding any clause in this Policy, no action pertaining to CSR activities shall be taken in contravention of the provisions of Section 135 of the Companies Act, 2013 and of the Companies (Corporate Social Responsibility Policy) Rules, 2014”.

The Board constitute the CSR Committee of BPSCL with the following Directors :-

1. Shri A Bandyopadhyay, Director - Chairman.
2. Shri Ajay Kumar, Director - Member.
3. Shri C B Dey, Director - Member.

Further on submission by the Chief Executive Officer In-charge the Board observed that ₹. 84.92 Lakh is to be expended by the Company (average last three year's profit) for CSR activity during the Financial Year 2014-2015.

The Board authorised the CSR Committee to incur expenditure for ₹. 84.92 Lakh in terms of Companies Act, 2013 and relevant rules and circulars.

CEO has put up the proposal vide letter no. ALVVK/F-34-325 dated 25.03.2015 given by Asha Lata Viklang Vikas Kendra, an NGO at Bokaro Steel City working for education, development and rehabilitation of specially able children for establishing a Vocational Centre (which includes construction of

building and furnishing of required equipments) in its existing premises at an estimated cost of ₹.18.5 Lakh.

Board after detailed deliberations considered the proposal given by Asha Lata Viklang Vikas Kendra and approved financial assistance up to ₹. 15 Lakh for the purpose which should be one time contribution without any liability of recurring/revenue expenditure.

Asha Lata has to give the utilisation certificate with supporting documents after the completion of the above proposed project. The Utilisation Certificate to be to be certified by a Practicing Chartered Accountant.