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**U.P. STATE
BRIDGE CORPORATION LTD.**




26-6-2019

(मरदान सिंह)
कम्पनी सचिव
(अंशकालिक)

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

H.Q. 16, Madan Mohan Malviya Marg,
Lucknow- 226001 (U. P.)

BACKGROUND

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U.P. State Bridge Corporation Ltd. (UPSBC Ltd.) was established by the Government of Uttar Pradesh in 1972 with a paid-up capital of Rs. 5 million. Now, its paid-up capital has grown to Rs. 150 million.

Since inception, UPSBC Ltd. (the company) has achieved the twin objectives of eliminating the contractual system and raising institutional finance. It has built a large number of bridges in India and abroad, required for the ever-growing network of roads. Under the massive development programme after independence, UPSBCL has successfully discharged its role and in the process, has achieved unparalleled expertise and experience in the field of bridge construction.

UPSBCL in its journey, has built a sustainable construction model of bridges, Rail over bridges & flyovers and created value for the society. As the Company immeges as a matured organization, apart from its endeavour to serve the country in the field of infrastructure development, will have a focused approach towards contributing to the society at large.

The UPSBCL has an obligation to the society and is committed towards social responsibilities in a meaningful manner. UPSBCL shall be responsible, imaginative and sensitive to the social needs in the same manner in which it treats its clients, customers, business associates, consultants and employees.

While the State has been carrying out a number of development projects, UPSBCL as a growing organization, on its part is committed to contribute to social, economic, environmental, educational & cultural activities etc. UPSBCL focus will be to contribute towards sustainable development of the society & environment and to make our country a better place for future generations.

The concept of Corporate Social Responsibility has gained prominence from all avenues and is now even a statutory requirement for certain companies after the new Companies Act, 2013, has come into force. Pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) rules, 2014 the Company has constituted Corporate Social Responsibility Committee (**CSR Committee**) and requested the CSR Committee to formulate and recommend a CSR Policy.

The CSR Committee so constituted formulated this Policy on Corporate Social Responsibility (**CSR Policy**) and recommended the same to the Board of Directors of the Company (**Board**) for its approval. The Board has approved and adopted this CSR Policy with immediate effect.

CSR VISION

We at U.P. State Bridge Corporation Ltd., Strongly believe in the concept of a better quality of life for everyone, now and for generations to come, whilst achieving a stable economic development. Our vision is a world in which we contribute to provide basic requirements of people such as education, health care, sanitation etc. in an environmentally, socially and economically sustainable way. We believe, as responsible corporate citizen, it is our duty to ensure that the benefits of our growth are not just shared by the UPSBC and State Govt. but also by the local communities in which we operate.

OBJECTIVE 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**) may be applicable and as amended from time to time and will, inter-alia, provide for the following :

- Commitment to continue work for social good through activities conducted to enhance social benefit.
- Establishing a guideline for compliance with the provisions of regulations to dedicate a percentage of Corporation's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.

ROLE OF CSR COMMITTEE

The CSR Committee constituted in pursuance of Section 135 of the Companies Act, 2013 shall be required to carry out the following activities as provided under sub section (3) of section 135 of the companies Act 2013.

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a)
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

DEFINITIONS

In the Policy unless the context otherwise requires :

- (a) 'Act' means the Companies Act, 2013;
- (b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014 (CSR Rules)
- (c) 'Ministry' means the Ministry of Corporate Affairs
- (d) 'Net Profit' means net Profit as per financial statements 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 of 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;*
- (e) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

CSR ACTIVITIES UNDER SCHEDULE VII OF THE COMPANIES ACT, 2013

The Policy recognizes that Corporate Social Responsibility is not merely compliance; it is a commitment to work for social good through such activities as would enhance the social good in accordance with one or more of the following focus areas as notified under **schedule vii** of the companies Act 2013 as amended from time to time.

- (i) Eradicating hunger, poverty and malnutrition; promoting 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.
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality and 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.
- (iv) 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 Water Fund set up by the central government for rejuvenation of river Ganga.
- (v) Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art, setting of public libraries; promotion and development of traditional arts and handicrafts.
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents.
- (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympics sports.
- (viii) Contribution to the Prime Minister's National Relief Fund or any other funds set up by the Central Government for Socio-economic developments and relief and welfare of the scheduled-castes the scheduled tribes; backward classes, minorities and women.

- (ix) Contribution of funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- (x) Rural Development Projects.
- (xi) Slum area development.
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

The Company may undertake in India, either new or ongoing, any one or more of the projects or programs or activities' (hereinafter referred to as 'Activities'), as may be decided by the CSR Committee from time to time.

THE GEOGRAPHIC REACH

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 Uttar Pradesh herein the Company has/will have its operations. However, if the company is executing any project out of the state of Uttar Pradesh the CSR Committee may identify such geographical areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

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 CSR corpus will be maintained for carrying out the CSR activities. The surplus arising out of the CSR projects, programs or activities 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) CSR expenditure shall include all expenditure including contribution to the corpus, 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 Companies Act 2013.

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.

(3) 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.

CSR COMMITTEE

The CSR Committee shall consists of three or more Directors, out of which at least one Director should be an Independent Director, as required under the provisions of the Companies Act, 2013.

Present CSR Committee Members

Sl. No	Board Member of CSR Committee
01	Managing Director, U.P. State Bridge Corporation Ltd.
02	Managing Director, U.P. Rajkiya Nirman Nigam Ltd.
03	Director, - Representative of Bureau of Public Enterprises

SCOPE AND FUNCTIONS OF CSR COMMITTEE

The CSR committee will recommend a formal CSR Policy which shall inter alia Include the following ,namely-

(a) Alist of CSRprojects or programs, which the company pplas to undertake falling within the purview of Schedule vii of the Act, specifying the modelities of execution of such projects or programs and implementation schedule for the same,and

(b) Monetoring process of such projects or programs:

Provided that the CSR activities does not include the activitiesundertaken in pursuance of its normal course of business of company.

Provided further that the board of directors shall ensure that activities included by the company in its corporate responsibility committee are related to the activities included in schedule vii of the Act.

Planning, implementation & monitoring:-

- (1) The CSR activities shall be undertaken by the company, as per its stated CSR policy, as projects or programs or activities (either new or ongoing)
- (2) After the Activities are approved by the CSR Committee, the Board may decide to undertake the Activities 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 or otherwise:

Provided that-

- (i) if it is decided to undertake the Activities through a trust, society or company which is not established by the Company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;

- (ii) the Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

- (3) the Company may also collaborate with other companies for undertaking projects or programs or CSR Activities in such a manner that the CSR Committees of the respective companies are in a position to report separately on such projects or programs in accordance with CSR Rules framed/amended from time to time, under the Companies Act, 2013.

- (4) The CSR projects or programs 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.

- (5) 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.

- (6) 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.

In order to achieve the objective of maximum social good, the CSR Committee of the Company may ask the trust/society/company selected by it to act as a Nodal Agency to:

- i. Select appropriate activities falling within the purview of the respective CSR Policy of the Company for implementation and the same will be deemed to be CSR activity of respective Company;
- ii. Maintain separate accounts for Company's CSR activities and also a separate account for all other donations.
- iii. Receive contributions from the Company and depositing the same in specific bank accounts earmarked for this purpose;
- iv. Keep the CSR Committee of the Company informed about the progress/ experience/ constraints etc. in implementation of their particular Activities from time to time;
- v. Be available to the CSR Committee as may be required by the CSR Committee of the Company for any discussion/ reviews/ clarification regarding the Activities and related matters from time to time;
- vi. Get its Books of Accounts audited in respect of the Activities on behalf of the Company and submit the same periodically to the CSR Committee of the Company; and
- vii. The Nodal Agency shall regularly submit reports regarding the progress in implementation of CSR Activities and utilization of CSR contributions to the CSR Committee of the Company in the format and details as maybe specified by the CSR Committee of the Company.

Role of U.P. Government in the implementation of CSR project-

As per the directions of the U.P. Government order issued by the yodyogic vikas anubhag-6 vide office order no.600/77-6-17-LC135/2015 dated 16/06/2017 and office order no.2042/77-6-18 LC135/2015

DATED 31/05/2018, after the approval by the board of directors, the CSR projects or programs or activities to be implemented by the company will be sent through the administrative department to the CORPORATE RESPONSIBILITY CELL constituted under the supervision of the executive director Udyog Bandhu for the approval of such CSR projects or programs or activities before their implementation by the company.

REPORTING IN ANNUAL REPORT

- i) Annual Report on CSR activities shall be included in the Board's Report as per the formats notified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.
 - ii) Additionally, the CSR Policy of the Company along with a report on its CSR activities shall be made available on the Company's website, if any
 - iii) If the Company fails to spend the required amount on CSR Activity, the Board shall, in its report made under Section 134(3)(o) of the Companies Act, 2013, specify the reasons for not spending the amount.
- Policy of the company. sd/, (Chief Executive Officer or Managing Director or Director) sd/- I Person specified under clause (d) of

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.