



BIHAR STATE TOURISM DEVELOPMENT CORPORATION LIMITED

(CIN: U63040BR1980SGC001486)

CORPORATE SOCIAL RESPONSIBILITY POLICY

Financial Year 2025-26

‘Sikh Heritage’,
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Patna-800001

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1.0 PREFACE

- 1.1 The Companies Act, 2013 provides specific provisions for CSR under Section 135 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs vide notification dated 27.02.2014.
- 1.2 Section 135 of Companies Act, 2013 and Rules made there under have been made applicable from 01.04.2014
- 1.3 This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "***BSTDCL CSR policy***".

2.0 INTRODUCTION

- 2.1 Bihar State Tourism Development Corporation Limited (BSTDCL) was established in the year 1980 for the development of tourism in the State of Bihar and for commercialization of Tourist Resources available with the State. To achieve this objective various tourist infrastructures like Tourist Bungalow, Cafeteria, Restaurant, Transportation facilities and Ropeway are being provided at various tourists spots by the Corporation.
- 2.2 This policy shall apply to all CSR initiatives and activities taken up at the various zone of BSTDCL, for the benefit of different segments of the Society, specifically the deprived, under-privileged and differently abled persons.
- 2.3 Since CSR includes Sustainability activities also in accordance with Schedule VII of the Companies Act, this CSR Policy shall be taken at per as CSR cum Sustainable Development Policy.

3.0 PREAMBLE

- 3.1 The CSR policy of the Company has been drafted in light of the following:
 - (a) Section 135 of the Companies Act 2013
 - (b) Companies (Corporate Social Responsibility) Rules 2014;
 - (c) The circulars and notification issued by the Ministry of Corporate Affairs from time to time;

4.0 DEFINITION

- i. The "Act" Means the Companies Act, 2013.
- ii. "Corporate Social Responsibility" means and includes but is not limited to:-
 - Projects or programs relating to activities specified in, Schedule VII of the Act; or
 - Projects or programs relating to activities undertaken by the Board of directors of the 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 include activities, areas or subjects specified in Schedule VII of the Act which may be read and interpreted broadly/liberally.

The "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

- iii. "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 the Company.
- iv. "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:-
 - Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - any dividend received from other companies in India, which, are covered under and complying with the provisions of, section 135 of the Act.

5.0 CSR VISION & MISSION

- 5.1 Ensuring the selection, implementation and monitoring of CSR initiatives in letter and spirit through appropriate procedures and transparent reporting in compliance with provision of Companies act and applicable laws. ***To be the leading provider of high quality travel, tourism and hospitality related services.***"
- 5.2 To implement CSR initiatives in conformity with the provision of Companies Act, 2013 and applicable rules made thereunder. To support activities which help cleaner, greener and healthier environment and thereby enhancing BSTDC perception as a social responsible entity.

6.1 ACTIVITIES TO BE TAKEN UP BY BSTDCL

In order to channelize CSR resources in a focused and meaningful manner, following thrust areas in accordance to Schedule – VII of the Companies Act, 2013 have been identified by **Bihar State Tourism Development Corporation Limited**, which may be read and interpreted broadly/liberally:-

- i. *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.*
- ii. *Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.*
- iii. *Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres 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, 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.*

- v. 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 art and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widow;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- viii. Contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)
- ix. Rural development projects
- x. Slum area development.*
- xi. Disaster management, including relief, rehabilitation and reconstruction activities.

6.2 ACTIVITIES NOT COVERED UNDER CSR

- (i) The CSR & Sustainability activities do not include the activities undertaken in pursuance of normal course of business of BSTDCL.
- (ii) Activities and expenditure related to staff benefits will not count as CSR & Sustainability activities
- (iii) Also grants to organizations/ institutions that are not specifically implementing CSR & sustainability projects specified by BSTDCL would not count as CSR.

- (iv) One-off events such as marathons/ awards/charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR.
- (v) Expenses incurred by companies for the fulfilment of any Act/Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.
- (vi) Expenses incurred by companies for undertaking activities which are established functions of the Government.

7.0 COMPOSITION OF CSR COMMITTEE

CSR committee of BSTDCL shall comprise of the following:

S.no.	Member	Role
01.	Managing Director, BSTDC	Chairman
02.	Director, Tourism Department, Govt. of Bihar	Member
03	Internal Financial Advisor, Tourism Department, Govt. of Bihar	Member

**Company Secretary, BSTDC will act as Secretary to this committee*

8.0 FUNCTION OF THE BOARD OF COMPANY:

The following are the functions of the Board in ensuring Corporate Social Responsibility (CSR) compliance:

- a. **Approval of CSR Policy:** The Board must approve CSR policy outlining the company's goals and objectives for social responsibility.
- b. **Public Disclosure:** The Board is required to disclose the CSR policy in the company's annual report and ensure that it is available on the company's website.
- c. **Implementation of CSR activities:** The Board must ensure that the activities outlined in the CSR policy are effectively undertaken by the company.
- d. **CSR Expenditure:** The Board must ensure the company spends at least 2% of its average net profits from the past three financial years on CSR initiatives.
- e. **Monitoring Fund Utilization:** The Board must satisfy itself that the CSR funds disbursed are being properly utilized for their intended purposes.
- f. **Reporting and Transfer of Unspent CSR Funds:** If the company fails to spend the requisite 2% on CSR, the Board must include an explanation in its annual report and transfer the unspent funds according to the legal provisions in the Companies Act (Sections 135(5) and 135(6)).

9.0 ROLES AND RESPONSIBILITY OF THE COMMITTEE

As per section 135(5) of the Companies act 2013 the Corporate Social Responsibility Committee shall —

- i. formulate and recommend the CSR policy to the Board;

- ii. recommend the amount of expenditure to be incurred on CSR activities;
- iii. monitor the CSR policy of the company from time to time;
- iv. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in rule 5(2) of the Companies (CSR Policy) Rules, 2014 and
- v. Any other function relating to CSR of the company as may be directed by the Board

10.0 **CSR EXPENDITURE**

A. CALCULATION OF AVERAGE NET PROFIT FOR THE PURPOSE OF CSR EXPENDITURE U/S 135 OF THE COMPANIES ACT, 2013 (THE ACT)

The average net profit for the purpose of determining the spending on CSR activities is to be computed in accordance with the provisions of section 198 of the Act and will also be exclusive of the items given under rule 2(1) (h) of the Companies (CSR Policy) Rules, 2014. Profit before Tax (PBT) is to be used for computation of net profit under section 135 of the Act.

B. ADMINISTRATIVE OVERHEADS AND PERMISSIBLE LIMITS

- i. Administrative overheads are the expenses incurred by the company for 'general management and administration' of CSR functions. However, the expenses which are directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme, shall not be included in the administrative overheads.
- ii. Administrative overheads generally comprise of items such as employee costs, utilities, office supplies, legal expenses, etc. However, expenses which are attributed to the project implementation shall be included in project cost only. Salary and training for the employees working in the CSR division of the company, stationery cost, travelling expenses, etc shall be categorised as administrative overheads. The maximum permissible limit for administrative overheads is five per cent (5%) of the total CSR expenditure of the company for the financial year.
- iii. Expenses incurred by implementing agencies on the management of CSR activities shall not amount to administrative overheads and cannot be claimed by the company.
- iv. The surplus arising out of CSR activities shall be utilised only for CSR purposes. Surplus refers to income generated from the spend on CSR activities, e.g., interest income earned by the implementing agency on funds provided under CSR, revenue received from the CSR projects, disposal/sale of materials used in CSR projects, and other similar income sources. Contribution to corpus of any entity is not an admissible CSR expenditure. The CSR expenditures/activities cannot be made in kind. Any matters or activities relating to CSR expenditures not specifically mentioned in this policy shall be applicable as per the provisions of the act and the rules framed there under.
- v. If CSR spending obligation is being met through implementing agency, the Managing Director (in-charge) shall ensure that the funds allocated to such agencies on the basis of CSR budget based on the modalities of the project as approved by the Board, are spent within the time frame.




- vi. CSR should not be interpreted as a source of financing the resource gaps in Government Schemes. However, the Board of the company may undertake similar activities independently subject to fulfilment of Companies (CSR Policy) Rules, 2014.
- vii. The Board of Directors of the company, on recommendation of CSR committee, may authorise the company to collaborate with other companies for undertaking CSR activities by way of pooling their CSR resources.
- viii. The budget outlay dedicated for one project can be used against another project.

C. SET OFF OF EXCESS AMOUNT SPENT ON CSR

The excess amount spent in any financial year (over and above 2% of the expenditure) can be set off against the required 2% CSR expenditure up to the immediately succeeding three financial years subject to compliance with the conditions stipulated under rule 7(3) of the Companies (CSR Policy) Rules, 2014.

D. MODES OF INCURRING CSR EXPENDITURE

CSR expenditure can be incurred in following modes:

- i. 'Activities route', which is a direct mode wherein the company undertake the CSR projects or programmes as per Schedule VII of the Act, either by itself or by engaging implementing agencies as prescribed in Companies (CSR Policy) Rules, 2014.
- ii. 'Contribution to funds route', which allows the contributions to various funds as specified in Schedule VII of the Act. (some of the funds are elaborated in clause E)
- iii. Contribution to incubators and R&D projects, as specified in item (ix)(a) and contribution to institutes/organisations, engaged in research and development activity, as specified under item (ix)(b) of Schedule VII of the Act.

E. Funds specified in Schedule VII of the Companies Act 2013 for the purpose of CSR contribution?

Contributions to the following funds shall be admissible as CSR expenditure:

- (i) Swachh Bharat Kosh
- (ii) Clean Ganga Fund
- (iii) Prime Minister's National Relief Fund (PMNRF)
- (iv) Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)
- (v) Any other fund set up by the Central Government and notified by the Ministry of Corporate Affairs, for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

11.0 MODES OF IMPLEMENTATIONS OF CSR ACTIVITIES

Pursuant to rule 4 of the Companies (CSR Policy) Rules, 2014 the company may undertake CSR activities through following three modes of implementation:

- i. Implementation by the company itself
- ii. Implementation through eligible implementing agencies as prescribed under sub-rule (1) of rule 4.
- iii. Implementation in collaboration with one or more companies as prescribed under sub-rule (4) of rule 4.

In case of implementation of project through implementing or outside agencies, the company shall obtain an utilisation and/or completion certificate from such agencies immediately after the end of financial year.

12.0 ONGOING PROJECT AND BOARDS RESPONSIBILITY THERETO

The intent of CSR is to encourage companies to undertake the activities in a project or programme mode rather than as a one-off event and accordingly the company shall starve to spend in on-going projects such as:

- i. a multi-year project, stretching over more than one financial year;
- ii. Having a timeline not exceeding three years excluding the year of commencement. Under no circumstances shall the time period of ongoing project be extended beyond this limit.
- iii. Includes Projects 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.

The project should have commenced within the financial year to be termed as 'ongoing'. The intent is to include a project which has an identifiable commencement and completion dates. After the completion of any ongoing project, the Board of the company is free to design any other project related to operation and maintenance of such completed projects in a manner as may be deemed fit on a case-to-case basis.

Note:

- a. The term 'year' refers to financial year as defined in section 2(41) of the Act.
- b. An ongoing project will have 'commenced' when the company has either issued the work order pertaining to the project or awarded the contract for execution of the project.

In case of ongoing projects, the major responsibilities of the Board, inter-alia, include:

- iv. identification of the ongoing projects;
- v. year-wise allocation of funds;
- vi. transferring the unspent money to a separate bank account as prescribed under sub-section (6) of section 135;
- vii. monitoring the implementation of the projects with reference to the approved timelines and year-wise allocation; and
- viii. Making modifications, if any, for smooth implementation of the projects within the overall permissible time period.

The Board may abandon or modify an on-going project, partially or wholly, under exceptional circumstances only during the prescribed project period as per the recommendation of its CSR committee, and by providing reasonable justification to that effect.

13.0 TREATMENT OF UNSPENT CSR AMOUNT

If the company spends less than the amount required to be spent under CSR obligation, the Board shall specify the reasons for not spending in the Board's report and shall deal with the unspent amount in the following manner:

NATURE OF UNSPENT AMOUNT	ACTION REQUIRED	TIMELINES
Unspent amount pertains to 'ongoing projects'	Transfer such unspent amount to a separate bank account of the company to be called as 'Unspent CSR Account'.	Within 30 days from the end of the financial year.
Unspent amount pertains to 'other than ongoing projects'	Transfer unspent amount to any fund included in Schedule VII of the Act.	Within 6 months from the end of the financial year.

The compliance of CSR is fulfilled when the company spends the prescribed amount as per its obligation. However, in case the company fails to spend the requisite amount within the financial year, it shall fulfil its obligation by transferring the unspent amount to any fund included in Schedule VII of the Act. The same will be considered as compliance with section 135(5) of the Act. Further, the Board of the company is required to give the requisite disclosure in the Board report and annual report on CSR.

14.0 REPORTING & DISCLOSURE REQUIREMENTS

The Board's Report pertaining to any financial year, shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II of the rule 8(1) of the Companies (CSR Policy) Rules, 2014.

The company shall mandatorily disclose the following on its website, if any, for public access:

- i. Composition of the CSR Committee; (If required to be constituted)
- ii. CSR Policy; and
- iii. Projects approved by the Board.

15.0 GENERAL:

1. Any other matter, items or requirements of law under CSR, not covered under this policy, where intentionally or un-intentionally and further whether presently applicable to the company or not, shall be complied or acted upon as per the provisions of the act and the rules framed there under whenever and wherever required or applicable. If the company requires or desires to modify or amend any of these rules, or the CSR policy in entirety, prior approval of Board of Directors of the company shall be obtained.
2. The policy will be subject to changes as per government guidelines and regulations and provisions of companies Act 2013 and rules made there under.
3. The modification/amendment in the CSR policy will be approved by the Board of Directors as and main recommended by the committee.
4. This policy would serve as the referral document for planning and selection of CSR activities. However, if case of any doubt/issue, cross reference to the Companies Act, 2013 will be referred to avoid any in consistency with the later.
5. The person responsible for financial management of BSTDCL shall certify to the board that the funds so disbursed have been utilized for the purposes approved by it.