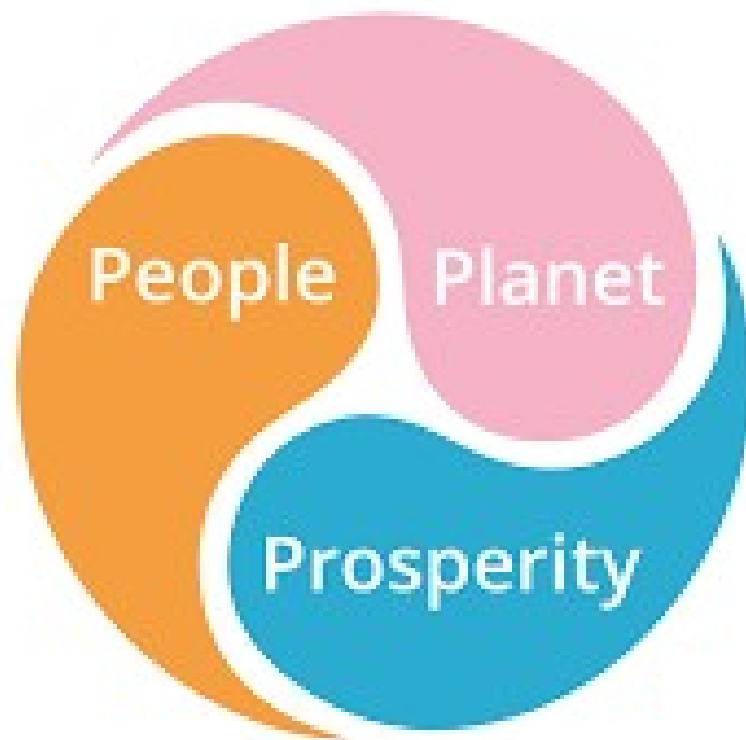




# CORPORATE SOCIAL RESPONSIBILITY POLICY

BALINEE MILK PRODUCER COMPANY LIMITED





## **Introduction**

Balinee Milk Producer Company Limited is a Producer Company incorporated under the provisions of Part-IXA of the Companies Act, 1956 on January 24, 2019 in the State of Uttar Pradesh (‘hereinafter termed as ‘BMPCL or the Company’) The main objects of the Company is to undertake the business of pooling, purchasing, processing of milk and milk products primarily of the Members and marketing of the same and to deal in activities that are part of or incidental to any activity related thereto. BMPCL in conjunction with the objects for which it has been incorporated and is operating, aims to uplift the life of rural society and drive sustainable economic growth. BMPCL always believed in inclusive growth of all stake holders and improving the quality of life of all its members and communities where we operate.

## **Objective**

The main objective of BMPCL’s CSR Policy is to lay down guidelines/principles for selection, implementation and monitoring of activities for sustainable development for the society where the Company operates and to comply with the provisions of the Companies Act, 2013, read with rules made there under. Further, it intends to share profits with the society through responsible business practices as well as good governance and bring positive changes to the lives of mankind.

## **Definitions**

1. **“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 :-
  - (i) 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-
    - (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;
  - (ii) 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;
  - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
  - (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
  - (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
  - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
2. **"CSR Policy"** means a statement containing the approach and direction given by the Board, and includes guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan thereof;
3. **"Net Profit"** means the net profit of the Company as per its financial statement prepared in accordance with provisions of Section 198 of the Companies Act, 2013, but shall not include the following viz;
- (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 Companies Act 2013.



### **Scope of CSR activities**

The Company proposes to undertake/may select any of the following activities as its Corporate Social Responsibility activities in accordance with the Schedule VII of the Companies Act, 2013 ('the Act') read with Companies (Corporate Social Responsibility) Rules, 2014 ('the Rules') including any modifications or amendments thereof);

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 the promotion of sanitation] and making available safe drinking 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 art and handicrafts;
6. 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 widows;
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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;



9. (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 Organisation (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).
10. Rural development projects.
11. slum area development.  
Explanation.- For the purposes of this item, the term '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.

Any ancillary or incidental activities required to be performed to undertake any of the projects mentioned above subject to the prior approval of the Board.

### **CSR expenditure**

The provisions of the Companies Act, 2013 read with rules made thereunder, mandates companies to spend/contribute 2% (two percent) of its annual net profits during the three immediately preceding financial years towards CSR activities which falls under the purview of Schedule VII of the Companies Act 2013.

The Board shall ensure that the Company spends, in applicable financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years calculated in accordance with the Act and rules.



**Conditions of CSR Expenditure:**

- 1) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.  
Explanation: As per rule 2(1) (b) of the Companies (CSR Policy) Amendment Rules, 2021, Administrative Overhead means the expenses incurred by the Company for general management and administration of CSR functions in the Company;
- 2) 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 annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- 3) Where a Company spends an amount in excess of requirement provided under Section 135(5) of the Companies Act, 2013, such excess amount may be set off against the requirement to spend 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 Rule 7(2) of CSR Rules.
  - (ii) the Board of the company shall pass a resolution to that effect.
- 4) 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; or
  - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (c) a public authority:

**RESPONSIBILITY OF BOARD OF DIRECTORS WITH RESPECT TO IMPLEMENTATION AND MONITORING OF CSR ACTIVITIES**

1. The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Companies Act, 2013.



2. The Company shall give preference to the local area and areas around it where it operates for spending the amount earmarked CSR activities, However the Board may identify such area, as may deem fit, for undertaking CSR Activities.
3. The Board of Directors shall ensure that the CSR activities are undertaken by the company itself or through any of the below implementing agency-
  - a. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
  - b. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
  - c. any entity established under an Act of Parliament or a State legislature; or
  - d. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation :- For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.]

4. (a) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021:  
Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021.
  - (b) Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice.
  - (c) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.



5. A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
6. The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
7. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
8. The Board of Directors are further responsible to:
  - (i) Ensure that the activities included in CSR policy shall be undertaken effectively by the Company.
  - (ii) Ensure that in each applicable financial year, the Company spends at least 2% of the average net profits made during the three immediately preceding financial years and in case of failure to spend, specify the reason for non-spending and unless the amount unspent relates to ongoing project, transfer such unspent amount to a fund established under Schedule VII of Companies Act, 2013 within 6 months of the expiry of financial year.
  - (iii) Ensure that CSR activities and expenditure shall be undertaken effectively with or without modifications.
  - (iv) The unspent amount related to ongoing project after fulfilling the stipulated conditions in the Companies Act, 2013 shall be transferred to a special account namely "Unspent Corporate Social Responsibility Account" within 30 days from the end of financial year, which shall be spent within the period of 3 years from the date of transfer. In case of failure to spend within the prescribed timeline it shall be transferred to fund established under Schedule VII of Companies Act, 2013 within 30 days of the completion of third financial year. The ongoing project shall be monitored with reference to the approved timelines and year wise allocation and can be modified for its smooth implementation.
  - (v) Disclose CSR activities in Annual report as per prescribed format under Companies Act, 2013.



**Monitoring**

The Board of Directors of the Company shall periodically review the implementation of CSR Activities.

**Reporting**

The Board's Report of a company pertaining to financial year in which section 135 is applicable, shall include an annual report on CSR containing particulars specified in Annexure II and any other information as prescribed by the prevailing law.

**Publication of CSR Policy:**

The Board of Directors of the Company shall mandatorily disclose the CSR Policy and Projects, if any, approved by the Board on their website, if any, for public access.

**Effective Date**

The Policy shall be effective from the date of approval of the Board of Directors of the Company.

**Amendments**

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