

Corporate Marketing Cell
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भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

No. CA/Mktg/25-23/2009-CSR

Dated: 05th, Mar, 2019

To

The Chief General Managers,
All Territorial Telecom Circles/Metro Districts, BSNL.

Sub: - New CSR policy of BSNL.

In reference to the above mentioned subject, it is kindly intimated that in the 186th Meeting of the Board of Directors of BSNL, held on Friday, the 15th Day of February, 2019, the Board of Directors of BSNL has approved the New CSR policy of BSNL in terms of the Section 135 of the Companies Act 2013 and rules thereto.

Further, in the 1st Meeting of the CSR Committee of the Board held on Wednesday, the 19th day of December, 2018, the committee decided and recommended that no funds will be allocated / incurred on the CSR till the company earns net profit.

This is for information & n/a for all concerned.

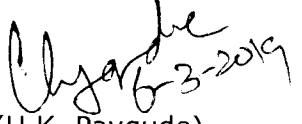
Enclosure: New CSR Policy of BSNL.


(Deepak Garg)
GM (Commercial)

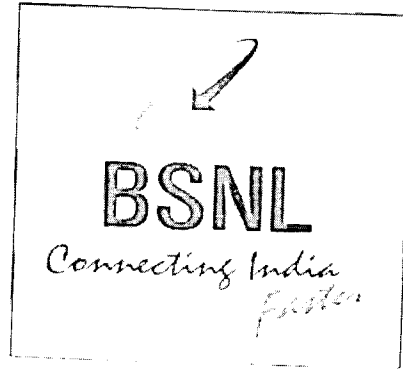
NO.CGMT-MH/A-II/WLF/CSRP/CORR/2018-19/16

DATED 06.03.2019

Copy of letter No. CA/Mktg/25-23/2009-CSR dtd. 05.03.2019 received from GM (Com.), BSNL CO New Delhi regarding New CSR Policy of BSNL is forwarded for information and necessary action please.


(U.K. Paygude)
Asstt. General Manager (Admn)
C.O., Mumbai - 54.

To
All SSA/Unit Heads in MH Circle



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY (2018)

[In terms of the provisions under Section 135 and other applicable provisions of the Companies Act 2013 including any amendment(s), re-enactment(s) thereto and the Rules thereunder which remain in force for the time being]

Bharat Sanchar Nigam Limited, Regd. & Corporate Office: Bharat Sanchar
Bhawan, H.C.M.Lane, Janpath, New Delhi-110 001. Corporate Identity Number
(CIN):U74899DL2000GOI107735 Website: www.bsnl.co.in




DEEPAK GARG
महा प्रबन्धक (व्यवसायिक)
General Manager (Commercial)
भारत संचार निगम लि. नई दिल्ली-110 001

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रुद्रिपक गार्ग
DEEPAK GARG
महा प्रबन्धक (व्यावसायिक)
General Manager (Commercial)
भारत संचार निगम लि. नई दिल्ली
B. S. N. Ltd., New Delhi.

1.0 PREAMBLE

- 1.1 Bharat Sanchar Nigam Limited (BSNL) was incorporated as a public limited company under the Companies Act 1956 on 15/9/2000. Pursuant to the Memorandum of Understanding (MoU) entered into with the Govt. of India, Ministry of Communications, Department of Telecommunications, BSNL took over the business of providing, maintenance and operations of the telecom services throughout the country – except the metro districts of Delhi and Mumbai from the erstwhile Central Government Departments of Telecom Services and Telecommunication on a going-concern basis for a provisional consideration of Rs 83 Crores with effect from 1st October 2000. BSNL provides all kind of telecom services throughout the country except the metro districts of Delhi and Mumbai.
- 1.2 The organization structure comprises Registered and Corporate Office/Head Office located at Bharat Sanchar Bhawan, Harish Chandra Matru Lane, Barpathi, New Delhi-110 001, Territorial Telecom Circles and Secondary Switching Areas (SSAs). Each Territorial Telecom Circle, in general, is coterminous with a state and each SSA, in general, is co-terminus with a revenue district.
- 1.3 Owing to losses being incurred by the company since 2009-10, no specific amount could be earmarked for CSR activities.
- 1.4 This CSR Policy of the Company aims to integrate and align the existing policy in conformity with the provisions of Section 135 of the Companies Act 2013 and Rules made thereunder.
- 1.5 This CSR Policy of the Company shall come into force with effect from the date of its approval by the Board of Directors of the Company.

2.0 CSR VISION & POLICY OBJECTIVE OF THE CSR OF THE COMPANY

- 2.1 Bharat Sanchar Nigam Limited (BSNL), being a responsible corporate citizen, is fully committed to the socio-economic growth and development of the country, population residing in its area of operations.
- 2.2 To take up programs that benefit the communities in and around the area of operation of the Company and, results in enhancing the quality of life, overall well-being of the local populace, over a period of time with special care and attention to the weaker section of the society.
- 2.3 To generate, through its CSR initiatives, a goodwill for BSNL and help in creating a positive and socially responsible image of the Company.
- 2.4 The Company's CSR activities are promoted under the Company's brand theme with "Connecting India" as the punch line which captures the spirit and commitment of the Company's CSR Policy, that is to "Protect, preserve and promote" the social, cultural and environmental heritage and wealth in and around the area of our businesses and to usher in sustainable and equitable development.

3.0 THRUST AREAS OF THE CSR FUNCTIONS OF BSNL

- 3.1 The following are the identified thrust areas of Company's CSR Policy which fall within the broad parameters as specified under Schedule VII of the Companies Act 2013 including any amendments, re-enactments) thereto and the Rules made thereunder which remain in force for the time being.

Broad Parameter as laid down by the Schedule VII of the Act

Identified thrust areas of Company's CSR Policy, which are falling within the broad parameter of the Schedule VII of the Act

<p><u>1. Education:-</u> Promoting Education, including special Education and Employment enhancing vocation skills especially among Children, Women, Elderly, and the differently abled and livelihood enhancement projects</p>	<p>1.1 Imparting skill development and vocational courses.</p>
<p><u>2. Eradicating Hunger, Poverty and Malnutrition, reducing child mortality and improving maternal health. Promoting Preventive Health Care and Sanitation and making available Safe Drinking Water</u></p>	<p>2.1 Organizing awareness on sanitation. 2.2 Providing safe drinking water.</p>
<p><u>3.SOCIO-ECONOMIC DEVELOPMENT:</u> 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</p>	<p>3.1 "Preparedness and capacity building" in Disaster Management .</p>
<p><u>4. ENVIRONMENT:-</u> 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;</p>	<p>4.1 Conservation of natural resources. 4.2 Water management including ground water recharge.</p>
<p><u>5.CULTURE:-</u> Protection of National Heritage, Art and Culture</p>	<p>5.1 Protection of historical monuments, heritage sites etc.</p>
<p><u>6.Schemes for Armed Forces Veterans etc.</u></p>	<p>6.1 Measures for the benefit of armed forces veterans, war widows and their dependents</p>
<p><u>7.Promotion of Rural Sports/Paraolympic sports</u></p>	<p>7.1 Training to promote rural sports</p>
<p><u>8.Contribution to the PM's National Relief Fund etc.</u></p>	<p>8.1 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.</p>
<p><u>9.Development of Technology Incubators</u></p>	<p>9.1 Contributions or funds or kind to technology incubators promoted by institution of education, training and research.</p>
<p><u>10. Rural Development</u></p>	<p>10.1 Rural development projects</p>

Note:-

- (1) Contribution of any amount directly or indirectly to any political party not to be considered as CSR activities.
- (2) The CSR project and programs shall be undertaken within India and the Company shall give preference to the local area and local areas around it where it operates, for spending the amount earmarked for CSR activities.
- (3) Events such as marathons/awards/charitable contributions/advertisement, Sponsorship of TV programs etc would not be qualified as part of the CSR expenditure.
- (4) Expenditure incurred by the Company for the fulfillment of any act/statute of legislation (such as labour laws, Land acquisition Act etc.) would count as CSR expenditure.
- (5) Contribution to the corpus of a Trust/ Society/ Section 8 companies will qualify as CSR expenditure as long as (a) the Trust / Society / Section 8 Companies etc. is created exclusively for undertaking CSR activities & (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.
- (6) CSR activities shall not include the activities undertaken in pursuance of the normal course of business of the Company.

4.0 CSR ORGANISATIONAL STRUCTURE

4.1(a) **The CSR Committee:-** The CSR Committee of the Board, at present, comprises the following Members:-

- | | |
|---|----------|
| (i) Ms. KanaSujata Ray, Director (HR) & (Fin) | Member |
| (ii) Shri N.K. Mehta, Director (Enterprise) | - Member |
| (iii) Ms. K. Sujatha Rao, Director | - Member |

(iv) Secretary of the Company acts as Secretary of the Committee
Director (Finance) is a regular invitee to the meetings of the Committee
The Terms of Reference and the Powers of the CSR Committee are as per the provisions of Section 135 and other applicable provisions of the Companies Act 2013 & Rules thereunder; and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India time to time and remain in force for the time being.

4.1(b) The Committee was apprised that consequent upon the appointment of Non official Independent Director, the Board of Directors of the Company, in their 175th meeting held on 30.03.2017 had re-constituted the CSR Committee of the Board, Comprising-

- | | |
|---|---------------|
| (i) Ms. Kanuru Sujatha Rao, Director | - Chairperson |
| (ii) Dr. Santosh R. Dastane, Director | - Member |
| (iii) Sh. N. Sivasaliam, AS(T), DoT, Govt. Director | - Member |

4.1.1 **The CSR Committee of the Board shall:-**

- (i) Formulate and recommended to the Board, a Corporate Social Responsibility Policy;
- (ii) Recommend the amount of expenditure to be incurred on the CSR activities, on yearly basis;
- (iii) Monitor the CSR activities of the Company as per the approved policy from time to time;

- (iv) Shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company

4.1.2 The Board of Directors of the Company shall:-

- (i) Approve the CSR Policy based on the recommendations of the CSR Committee.
- (ii) Ensure that the activities included in CSR Policy are undertaken by the Company:
- (iii) Ensure that activities included by the Company in its CSR Policy are related to the activities included in Scheduled VII of the Act
- (iv) Ensure that the Company spends, in every financial year, at least two per cent of the average net profit of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy.
- (v) Ensure that the Company spends, in every financial year, the amount earmarked as CSR Budget in pursuance of its CSR Policy. Provided that, the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. Provided further that if the Company fails to spend such amount, the Board shall, specify the reasons for not spending the amount in the Board Report.

4.2 The Company shall have a two-tier organizational structure below the Board Level CSR Committee to assist it in planning, implementing and monitoring the CSR activities of the Company, which is as follows:-

Corporate Office CSR Committee	Circle CSR Committee
Committee of officers consisting of PGM/ GM(Commercial) as Chairman with DGM/Jt GM/Adl GM of CoM and Admn. as Members. AGM or DM (CoM) will be the Convenor of the Committee.	To be headed by the CGM as Chairman with 3 officers not below the rank of AGM – One each from Finance, Circle HQ and SSA to assist and implement the CSR Policy as communicated by the Corporate Office CSR Branch
Will be serviced by the CSR Branch of the Corporate Office.*	Will be serviced by Welfare CSR Section of Circle HQ
-	Will act on the instructions/guidelines of the CSR Branch of the CO.

4.3 * The Corporate Office CSR Committee will assist and support the Board Level CSR Committee in implementation and monitoring of the CSR Policy and it will be serviced by the CSR Section of the Corporate Office. The CSR Section of the Corporate Office shall perform the following:-

- (i) Subject to the policy framework as detailed at Para 3 supra drawn pursuant to the provisions of Section 135 and Schedule VII of the Act, the Corporate Office CSR Committee shall, after consultation with field units, identify the CSR project /programs to be initiated and recommend the same
- (ii) CSR Section of the Corporate Office, while identifying the CSR activities shall consider & give preference to the suggestion/demands of the key stake holders, especially those who are directly impacted by the Company's operations / activities. As per the Act, the Company shall give preference to the 'local area'. Considering the fact that the Company is a pan-India Telecom service provider offering services across the entire country except the metro districts of Delhi and Mumbai, the areas of its operation may be construed as the local area. However, the Company will give first preference to the Village Panchayats in the vicinity of its Telephone Exchanges

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- (iii) While identifying the project/schemes to be taken up, the CSR Section of the Corporate Office will check the following: - (a) The relevance of the project, i.e. whether it is integrated with the social and environment concerns, related to the nature and impact of the Company's business and whether it will deliver/ contribute to sustainable development of the Company. (b) Adequacy of the proposal for meeting the imminent need of the beneficiary. (c) Whether the activities are philanthropic activities, since mere donations to philanthropic /charity or other organization would not come under the category of CSR activities.
- (iv) It shall be ensured that the activities proposed are not related to the business of the Company or its employee.
- (v) Organize baseline data study done through third parties. Compile estimate cost, project duration, execution modalities, based on inputs given by beneficiaries;
- (vi) Collect such data put up to the CSR Committee before the beginning of the relevant financial year to concur and recommend about the expenditure to be incurred on the CSR activities, identified project, within the CSR budget available for the FY, computed as per the Act, for the approval of the board. The proposal will also have the details of activities and unspent carry forward amount if any, of CSR budget of previous FY, with the justification of why the same could not be spent;
- (vii) Every individual Project will have details of execution including timelines
- (viii) Annual calendar of CSR activities shall be prepared
- (ix) Execute the CSR activities/projects/programs, as per the approval of the Board;
- (x) Monitor the progress of the CSR activities with respect to timelines and quality & provide quarterly progress reports to the CSR Committee
- (xi) Monitoring progress and completion of activities / projects up to completion of total commitment from the Company
- (xii) Organize impact assessment study through third parties, post completion of the project, as well as get feedback for improvement in the future while taking up similar projects;
- (xiii) Constitute suitable in-house techno-commercial multi-disciplinary internal committee for supervising & bill certification;
- (xiv) Put up bills duly certified by the techno-commercially committee for approval of payment through competent authority, as per the Delegation of Powers of the Company;
- (xv) Devise a communication strategy for regular information and feedback sharing with key stake holders. Publish relevant information in Company's Website, Internet, Press and Media.
- (xvi) Impact measurement study after the completion of the CSR project which shall include metrics and methodology to measure the accruing benefits as identified in the baseline study, before taking up the project
- (xvii) Evaluate the benefit and impact on community (what & measurement thereto) on three tiers - immediate, mid- term and long term, that leads to increased social bottom line and thus to Corporate Social Performance

(xviii) Provide information sought by the Ministry & other Statutory Bodies.

5.0 CSR BUDGET AND EXPENDITURE CONTROL MECHANISM

- 5.1 Budgetary allocation for the CSR activities in every financial year shall be as per the provisions of Section 135 of the Act i.e., at least 2% of the average net profit of the Company made during the three immediately preceding financial years. The "average net profit" shall be calculated in accordance with the provision of the Section 198 of the Act or as may be revised from time to time by the Act.
- 5.2 Corporate Marketing Cell being the Nodal Branch responsible for implementation and administration of CSR Policy will put up agenda note for approval of CSR Budget for each of the Financial Year before the CSR Committee of the Board. The proposal will have a write up of each of the project, with details. The CSR Committee will review the same and recommend suitable proposals to the Board for approval of yearly budget and in-principle approval for the activities listed in the proposal.
- 5.3 CSR Committee of the Board shall recommend the CSR budget, based on the proposal put up by the Marketing Cell of the CO. In the proposal, details of such approved CSR Budget for the previous year, actual expenditure on CSR in the previous year and the resultant computation for the present year along with the proposed allotment for the Circle(s) shall be given. Further, CSR budget will include all the activities/projects identified for the year and would be subjected to scrutiny of CSR Committee.
- 5.4 The surplus arising out of the CSR project or programs shall not form part of the business profit of the Company.
- 5.5 The budget allocated as above, should be spent within the financial year. If due to some reason, the budget of a year remains unutilized, the unspent amount would not lapse and instead be carried forward to the next financial year for utilization for the purpose for which it was allocated, as far as possible. The reason for not utilizing the entire CSR amount in a particular year and the plan (s) for utilizing the unspent amount in the next year shall be disclosed in annual report made under clause 3(0) of the Section 134 of the Act including any amendment(s), re-enactment(s) thereto and the Rules made thereunder which remain in force for the time being.
- 5.6 Based on in principle approval accorded by Board, CSR Section will put up a formal proposal note for each of the Project. The proposal will capture the following details:

Brief Description of the CSR project. / What the project intends to do? / What are the Project timeline/ schedule? /What are the targeted beneficiaries? / How are the beneficiaries going to be benefited? / What are the metrics for measuring intended benefit? / How the project will be monitored in terms of physical milestones and social milestones / Measuring performance in terms of the intended benefit / Financial requirement for undertaking the activity funding sources (if any other than the Company) and fund requirement timeline including the allocation for the Circles;% of each project over the total CSR budget for the FY Capturing the social benefits to the Company and communication accordingly for enhanced reputation.

6.0 EXECUTION OF THE POLICY

- 6.1 The Company may execute/implement CSR activities / projects alone or in partnership with executing / implementing agency / other organization / which may include Government Agencies / Non Government Agencies. The Company shall enter into Memorandum of Understanding (MoU) with each of the agencies.
- 6.2 In case of Non Government agency / such an executing / implementing agency, must be a registered society / trust / company or any specialized agency having minimum three years of experience post registration in handling activities of similar nature.
- 6.3 The Company may take up CSR activities in collaboration with group Companies and other CPSEs for greater social, economic and environmental impact of their CSR activities / project.
- 6.4 The Company should take up the CSR activities in project mode and ensure that at least 75% of the CSR spend is through project mode which entails planning the stages of execution in advance by fixing targets at different milestones with pre-estimation of quantum of resources required within the allocated budget.
- 6.5 CSR Section shall specify the project or programs to be undertaken the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- 6.6 The CSR Section shall play a nodal role, in executing the CSR activity from beginning to completion.
- 6.7 The Company should take up the CSR activities in project mode and ensure that at least 75% of the CSR spend is through project mode which entails planning the stages of execution in advance by fixing targets at different milestones with pre-estimation of quantum of resources required within the allocated budget.

7.0 MONITORING & REPORTING OF CSR ACTIVITIES:

- 7.1 Monitoring & Reporting for all CSR projects/ activities, will be done through Circle CSR Committees at respective Circles. Management Information Report (MIR) in the prescribed format, as specified in Annexure of the Companies (CSR Policy, Rules, 2014 of the Companies Act 2013 [Annexure-A] will be furnished by Circles to Corporate CSR committee every month. In addition, Units will submit status reports on need basis, as and when required.
- 7.2 Corporate Office CSR Committee headed by PGM/GM(Corp. Mktg.) shall monitor the progress of the CSR activities with respect to timelines and quality & provide quarterly progress reports to the CSR Committee of the Board.
- 7.3 Quarterly report: The CO CSR Committee will ensure the implementation of the projects/programs/ activities proposed to be undertaken by the Company and monitor the amount being spent on CSR activities. A quarterly compliance report shall be placed before the CSR Committee of the Board by the CO CSR Committee from the 1st Quarter of the financial year in which the programmes commence.
- 7.4 The Board Report shall include a report on CSR as per the format prescribed under the provisions of the Companies Act 2013[Annexure-I]. A copy of the format which has been prescribed for the time being is enclosed as.

8.0 COMMUNICATION STRATEGY

- 8.1 After the approval of the CSR Policy of the Company by the Board of Directors, the Company shall, disclose the contents of Policy and CSR activities of the Company, in the Corporate website at www.bsnl.co.in. CSR Section of the Company will organize regular information and feedback sharing with key stake holders and publish relevant information in Company's Website, Internet, Press and Media.
- 8.2 This policy will come into effect, upon approval by the Board, based on recommendation by the CSR Committee with or without modification.

9.0 SAVING

- 9.1 CSR project (s) of the Company, which were either taken up or which were on-going before the coming into force of the provisions of the Companies Act 2013 would continue to be executed. However, they shall not form part of the CSR in terms of the provisions of the Companies Act 2013.

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN
THE BOARD'S REPORT**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years.
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).
5. Details of CSR spent during the financial year
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other. (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects or programs 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent through implementing agency

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent. of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

7. 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.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- (Person specified under clause (d) of sub-section of section 380 of the Act)

(Wherever applicable)