

# **CORPORATE SOCIAL RESPONSIBILITY POLICY**



**MAHARASHTRA TOURISM DEVELOPMENT  
CORPORATION LIMITED**

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## 1. BACKGROUND

Maharashtra Tourism Development Corporation (MTDC) has been established under the Companies Act, 1956, (fully owned by Govt. of Maharashtra) for systematic development of tourism on commercial lines, etc.

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Businesses derive their primary benefits from operating in society and no business can function without caring for societal and community development.

CSR Policy of Company defines the framework for conducting CSR activities for the Company and also which reflects the Company's philosophy and mission, is designed to portray its commitment to be a responsible corporate citizen and presents the strategies and methods for undertaking social programs for well-being and sustainable development of the local community in which it operates.

The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act 2013 and the rules made thereunder.

Any changes in the CSR Policy shall be only on the recommendation of the CSR Committee and subject to the approval of the Board of Directors and will be effective from the date of such Board approval

## 2. KEY PROVISIONS OF THE ACT RELATED TO CSR:

Every Company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall spend in every financial year at least 2% (two percent) of its average net profit for the immediately preceding three financial years on corporate social responsibility activities;

As per the CSR provisions of the Companies Act, 2013 and Rules made thereunder, Companies covered under CSR provisions falls outside the ambit of CSR provisions if it ceases to fulfill the aforesaid criteria for three consecutive years. Once the company again falls within the criteria, the provisions of CSR will be applicable.

## 3. DEFINITIONS:

- (a) "**Act**" means the Companies Act, 2013;
- (b) "**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 fulfillment of any other statutory obligations under any law in force in India
- (c) **"Administrative overheads"** means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- (d) **"Net profit"** means the net profit of a company as per its financial statement 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 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 Act.
- (e) **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project 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.
- (f) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

- (g) **"CSR Policy"** means a statement containing the approach and direction given by the board of a Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

#### **4. CSR AREAS AND SCOPE:**

The Company shall undertake all CSR Activities that are approved by the CSR Committee and the Board of Directors under this policy or otherwise. Further all CSR initiatives and activities of the Company, shall be guided and will fall within the ambit of Schedule VII to the Companies Act, 2013 which shall include the following:

- (i) Eradicating hunger, poverty and malnutrition, 2["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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[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, 9[ Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- (vii) training to promote rural sports, nationally recognised 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 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).

- (x) rural development projects

- (xi) 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.

- (xii) disaster management, including relief, rehabilitation and reconstruction activities.]

- (xiii) Any other areas of spend permitted under Schedule VII to the Companies Act, 2013, from time to time.

Note : Preference must be given to the local area and area around it where it operates for spending the amount earmarked for CSR activities.

The Company will abide by all the rules under CSR conveyed through various circulars issued by Ministry of Corporate Affairs from time to time.

## **5. CSR IMPLEMENTATION**

The Board may decide to undertake its CSR activities approved by CSR Committee, either by the Company itself or through:

- a) a company established under section 8 of the Act or a registered public trust or a registered society, registered under section 12A and 80G 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, registered under section 12A and 80G of the Income Tax Act, 1961 and having an established track record of three years in undertaking similar activities;

- e) The Company shall, in its Annual Action Plan specify 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.

Provided that, where the Company undertakes any CSR spend, through an Implementation Agency it shall ensure that the said agency has obtained a CSR Registration Number from the Ministry of Corporate Affairs or has complied with such statutory requirement as applicable in this respect from time to time, prior to approval of such program or project.

## **6. IMPACT ASSESSMENT**

- 6.1 Where the Average CSR Obligation of the Company exceeds Rs. 10 Crores or more in the three immediately preceding financial years, the Company shall undertake an impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study.
- 6.2 The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- 6.3 In case of impact assessment, the Company may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

## **7. GOVERNANCE**

### **7.1 CSR Committee**

#### **a) Constitution:**

- i) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year] shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent director.

Provided that where the company is not required to appoint an independent director under the provisions of the Companies Act, 2013 and rules made thereunder, it shall have in its Corporate Social Responsibility Committee two or more Directors.

- ii) Where the amount to be spent by a company as its CSR obligation does not exceed fifty lakh rupees, the requirement under to constitute the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this policy and/or the Act shall, in such case, be discharged by the Board of Directors of the company.
- iii) Even if the Company is within the Statutory Limits specified in point no. (ii) above it may with voluntarily constitute CSR Committee or keep its existing CSR Committee operational.

**b) Roles and Responsibilities of the Committee:**

- i) To formulate and recommend to the Board, an Annual Action Plan which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
  - ii) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
  - iii) To monitor the implementation of CSR policy and review and recommend the changes to CSR Policy to Board from time to time.
  - iv) To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the details as provided in Rule 5(2) of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 as follows:
    - a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
    - b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
    - c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
    - d) monitoring and reporting mechanism for the projects or programmes; and
    - e) details of need and impact assessment, if any, for the projects undertaken by the company:
- Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.”
- v) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be decided by the Board of Directors from time to time.

**7.2 Board of Directors****a) Roles and Responsibilities:**

- i) After considering the recommendations made by Corporate Social Responsibility Committee, approve the CSR Policy as recommended by the CSR Committee;
- ii) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- iii) The Board to approve an annual action plan in pursuance of CSR policy as recommended by the CSR Committee;
- iv) To ensure that the funds so disbursed towards CSR activities have been utilised for the purposes and in the manner as approved by the Board and that Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- v) In case of ongoing project, to monitor the implementation of the project with reference to the approved timelines and year-wise allocation and to make modifications, if any for smooth implementation of the project within the overall permissible time period



- vi) To disclose the composition of the CSR Committee, CSR Policy and projects approved by the Board on their website, if any for public access.
- vii) To ensure that activities reflected in CSR policy are undertaken by the Company.
- viii) To ensure that activities included by the Company in its CSR Policy are related to the activities included in Schedule VII of the Companies Act, 2013.
- ix) To ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy. In case the company is not able to spend the required amount the Board shall in its report under 134 sub section (3) clause (o) of the Act shall specify reasons for not spending the amount.
- x) 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 the person responsible for financial management shall certify to the effect.
- xi) The Board's Report pertaining to any financial year shall include an Annual Report on CSR containing particulars specified in Annexure II.
- xii) The Company will report on CSR performance in its annual report as per the structure and format prescribed in the notified CSR Rules. Further, the Board shall specify in its report, if the Company fails to spend such amount.
- xiii) The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

#### **8. REVIEW AND MONITORING OF CSR FUNDS**

- a) As per the Companies Act, 2013, each Company is required to contribute 2% of its Net profit (average of last 3 years) for CSR Activities;
- b) Where the Company is undertaking CSR activities through external agencies, the Company shall obtain adequate evidence to justify expenditure of allocated funds along with a report periodically, giving status of the approved Projects, amounts allocated, expenditure incurred and such other details as may be required by the CSR Committee/Board of Directors of the Company;
- c) Any surplus arising out of the CSR projects or programs or 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
- d) Amount spent in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to 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 sub-rule (2) of rule 7 of The Companies (Corporate Social Responsibility Policy) Rules, 2014.
  - (ii) Board of the Company shall pass resolution to this effect.

f) The Company shall disclose amount of expenditure on CSR Activities in its Financial Statement.

## **9. TREATMENT OF UNSPENT CSR ACCOUNT**

### **a) Transfer of Funds In case of Ongoing Projects:**

The Board of Directors shall open an 'Unspent Corporate Social Responsibility Account' to be held by the Company in a Scheduled Bank, every Financial Year. The following transfers shall be permitted into the Account:

<b>Amount permitted for transfer</b>	<b>Due date for Transfer</b>
Unspent CSR Amount related to any ongoing project	Within 30 days of the closure of the Financial Year
Surplus arising out of any CSR Activities	Within 6 months of the closure of the Financial Year

### **b) Other Projects (not ongoing):**

The following amounts shall be transferred to a Fund specified under Schedule VII to the Act or such account as specified by the Government in this regard:

<b>Amount to be transferred</b>	<b>Due date for transfer/ spending</b>
Unspent CSR Amount not related to any ongoing project	Within 6 months of the closure of the Financial Year
Any unspent amount remaining in the Unspent CSR Account	Shall be spent by the Company within 30 days of completion of 3 (three) years from the date of which the amount was transferred to the Unspent CSR Account

## **10. DISCLOSURE ON THE WEBSITE OF THE COMPANY**

The Board of Directors of the Company shall mandatorily disclose the following on the Website of the Company, if any for public access:

- Composition of the CSR Committee
- CSR Policy, as amended from time to time
- Details of CSR Projects approved by the Board of Directors

## **11. REVIEW OF THE POLICY**

The CSR Committee shall review and amend this policy to ascertain its appropriateness as per the needs of the company from time to time and recommend to the Board of Directors for approval. In the event of any conflict between the provisions of this Policy and the Act or any other statutory enactments, rules, the provisions of the Act or statutory enactments, such statutory provision(s) shall prevail over this Policy.

## “ANNEXURE –II”

### Format for the Annual Report on CSR activities

To be included in the Board's Report for financial Year commencing on or after 1<sup>st</sup> day of April, 2021

1. Brief outline on CSR Policy of the Company.
2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
	<b>TOTAL</b>		

6. Average net profit of the company as per section 135(5).

7. (a) Two percent of average net profit of the company as per section 135(5)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year, if any

(d) Total CSR obligation for the financial year (7a+7b- 7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (in Rs.)	Amount (Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.

				State	Distri			Na	CSR registra
				.	ct.			me.	tion number
	<b>Total</b>								

- (d) Amount spent in Administrative Overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
	<b>Total</b>						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
	<b>Total</b>							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. **(asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/-	Sd/-	Sd/-
(Chief Executive Officer or Managing Director or Director).	(Chairman CSR Committee).	[Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).