



**ODISHA STATE MEDICAL CORPORATION LTD.**

**(A Govt. of Odisha Undertaking)**

**(CIN-U74140OR2013SGC017541)**

**Regd. Office – Near Convent Square, Bhubaneswar.**

*(Assuring Quality, Saving Lives)*

**CORPORATE SOCIAL**  
**RESPONSIBILITY(C.S.R.) POLICY**

## **1. OBJECTIVES OF THE POLICY**

This Policy is framed in line with Section 135 of the Companies Act'2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations' ) as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- a. Establishing a guideline for compliance with the provisions of Regulations in spending a percentage of Company's profits for social projects.
- b. Ensuring implementation of C.S.R. initiatives in letter and spirit through appropriate procedures and reporting.

## **2. DEFINITIONS**

In this Policy, unless the context otherwise requires:

- a. "Act" means the Companies Act, 2013;
- b. "Corporate Social Responsibility (C.S.R.) " means and includes but is not limited to:
  - i. Undertaking any projects or programs relating to activities specified in Schedule VII to the Act or
  - ii. Projects or programs relating to activities undertaken by the Board of Directors of the Company (Board) in pursuance of recommendations of the C.S.R. Committee of the Board as per declared C.S.R. Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- c. "C.S.R. Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
- d. "C.S.R. 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.
- e. "Net Profit" means the net profit of the company as per its Financial Statements prepared in accordance with the applicable provisions of the Act.

### 3. C.S.R. ACTIVITIES

The policy recognises that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act'2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty & malnutrition, promoting health care including preventive health care & sanitation & making available safe drinking water;
- ii. Promoting education, including special education & employment enhancing vocational skills especially among children, women, elderly & the differently abled & livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- iv. Reducing child mortality and improving maternal health by providing good hospital facilities and free medicines;
- v. Taking steps for clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
- vii. Employment enhancing vocational skills;
- viii. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- ix. Measures for the benefit of armed forces veterans, war widows & their dependents;

- x. Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
- xi. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Cates, the Scheduled Tribes, other backward classes, minorities & women;
- xii. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- xiii. Rural development projects, etc;
- xiv. 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.'

The above list is illustrative not exhaustive. All activities under the C.S.R. activities should be environment friendly and socially acceptable to the local people and society. Contribution towards C.M. relief fund shall also be a part of C.S.R. activities.

**4. SCOPE**

**A. WATER SUPPLY INCLUDING DRINKING WATER:**

- i) Installation/ Repair of Hand Pumps/ Tube Wells.
- ii) Digging / Renovation of Wells.
- iii) Gainful utilisation of waste water for Cultivation or any other purpose.
- iv) Development/ Construction of Water Tank/ Ponds.
- v) Rain water-harvesting scheme.
- vi) Formation of a Task Force of Volunteers to educate people regarding.
- vii) Empowerment to the villagers for maintenance of the above facilities for availability of water.

## **B. HEALTH CARE ORGANISATION, HEALTH AWARENESS CAMPS:**

- i) AIDS TB and Leprosy.
- ii) Social evils like alcohol, smoking, drugs abuse etc.
- iii) Child and Mother care
- iv) Diet and Nutrition.
- v) Blood donation camps.
- vi) Diabetics detection & Hypertension Camps.
- vii) Family Welfare.
- viii) Senior Citizen Health Care Wellness Clinics.
- ix) Fully equipped Mobile Medical Vans.
- x) Tele medicine.
- xi) To supplement the different programme of Local/ State Authorities.
- xii) Operating or strengthening De-addiction centres.

## **C. ENVIRONMENT:**

- i) Organising sensitisation programmes on Environment Management Pollution Control.
- ii) Green belt development.
- iii) Afforestation, Social Forestry, Check Dams, Park.
- iv) Restoration of mined out-lands.
- v) Development of jobs related to agro product i.e. Dairy/ Poultry/ Farming and others.
- vi) Plantation of saplings producing fruit.
- vii) Animal care.

## **D. SOCIAL EMPOWERMENT:**

- i) Self/ Gainful Employment Opportunities – Training of Rural Youth for Self Employment (TRYSEM) on Welding, Fabrication, and other Electronic appliances.

- ii) To provide assistance to villagers having small patch of land to develop mushroom farming, medicinal plants, farming & other cash crops to make them economically dependent on their available land resources.
- iii) Training may be provided by agricultural experts for above farming.
- iv) Organising training programmes for women on tailoring Embroidery designs,
- v) Home Foods/ Fast Foods, Pickles, Painting and Interior Decoration and other.
- vi) Vocational Courses.
- vii) Care for senior citizens.
- viii) Adoption/ Construction of Hostels (especially those for SC/ST & girls)
- ix) Village Electricity/ Solar Light
- x) To develop infrastructural facilities for providing electricity through Solar Lights or alternative renewal energy to the nearby villages. Recurring expenditure should be borne by the beneficiaries.

#### **E. SPORTS AND CULTURE:**

- i) Generate self-employment.
- ii) Infrastructure Support-construction, repair, extension etc. of:
  - a) Auditorium,
  - b) Educational Institutions,
  - c) Rural Dispensaries initiated by reputed NGOs,
  - d) Mobile Creches,
  - e) Bridges, Culverts & Roads,
  - f) Check Dam,
  - g) Shopping Complex to facilitate business/ self employment for local people,
  - h) Community Centre,
  - i) Sulabh Souchalaya,
  - j) Yatri Shed in Bus Stand,
  - k) Burning Ghat/ Crematorium,

- l) Development of Park,
- m) Play ground/ Sports complex/ Goods coaches,
- n) Old Age Home.

The above scope is not exhaustive and illustrative only. However, the thrust shall be on C.S.R. activities in the area of preventive health care, Free treatment & Eradication of poverty, hunger and malnutrition.

#### **5. THE GEOGRAPHIC REACH**

The Act provides that the 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 C.S.R. activities in the State of Odisha. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking C.S.R. activities.

#### **6. 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 surplus arising out of the C.S.R. activity 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 C.S.R. activities.
2. The company may build C.S.R. 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 C.S.R. expenditure of the company in one financial year.
3. However 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.

## **7. C.S.R. COMMITTEE**

The C.S.R. Committee will consist of four Directors, who are to meet at least once in a year to discuss and review the C.S.R. activities and policy. The quorum shall be two members for the proceeding to take place. The Chairperson and members of the Committee are as follows.

1. M.D., OSMCL, Chairman
2. FA-Cum Joint Secretary H & FW Deptt. on the Board of OSMCL, - Member
3. DMET, Odisha on the Board of OSMCL, - Member
4. Dr. Debasish Hota, Independent Director, OSMCL, - Member

## **8. SCOPE AND FUNCTIONS OF C.S.R. COMMITTEE**

The following shall be the role & responsibility of the Committee.

- a. To formulate & recommend to the Board, a Corporate Social Responsibility (C.S.R.) Policy, which shall indicate the activities to be undertaken by the company as specified in schedule VII of the Companies Act'2013.
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above.
- c. Monitor the Corporate Social Responsibility (C.S.R.) Policy of the company from time to time.

## **9. ADMINISTRATION OF C.S.R. PROJECTS**

The Corporation can meet its C.S.R. obligation by undertaking C.S.R. activities on its own or through a third party, such as a society, trust, foundation or Section 8 company (i.e. a company with charitable purposes) that has an established record of at least three years in C.S.R. activities. Companies may also collaborate and pool their resources, which could be especially useful for small and medium-sized enterprises. The Managing Director shall have the power to sanction any project for C.S.R. within the amount approved by the Board.

## **10. IMPLEMENTATION**

- a) The investment in C.S.R. should be project based and for every project time framed periodic mile stones should be finalised at the outset.
- b) Project activities identified under C.S.R. are to be implemented by Specialized Agencies and generally NOT by staff of the organisation. Specialized Agencies could be made to work singly or in tandem with other agencies.
- c) Such specialized agencies would include:
  - i) Community based organisation whether formal or informal.
  - ii) Elected local bodies such as Panchayats.
  - iii) Voluntary Agencies (NGOs).
  - iv) Institute/ Academic Organisation.
  - v) Trust, Mission etc.
  - vi) Self-help groups.
  - vii) Government, Semi Government and Autonomous Organisations.

## **11. FUNDING**

1. As per the regulations the company will set aside, for annual C.S.R. activities, an amount equal to 2% of the average net profits (Before Tax) of the company made during the three immediately preceding financial years. Any unutilised C.S.R. allocation fund of a particular year, will be carried forward to the next financial year i. e. The C.S.R. budget will be non lapsable in nature.
2. The tax treatment of C.S.R. spent will be in accordance with the Income Tax Act, 1961 as may be notified by the Central Board of Direct Taxes.

## **12. BUDGET**

- I. The Company Board of Directors shall ensure that in each financial year the company spends at least 2% of the average net profit (Before Tax) made during the three immediate preceding financial years.

- II. As per Section 135 of the Companies Act, the company will report reasons for under-spending of the allocated C.S.R. budget of the current financial year in the template provided by the Ministry of Corporate Affairs. This reporting will be done in the Annual Report of the Corporation.
- III. In case of any surplus arising out of C.S.R. projects, the same shall not form part of business profits of the company.
- IV. The company may collaborate or pool resources with other companies to undertake C.S.R. activities, through any non-profit organisation, if required.

### **13. AMENDMENTS TO THE POLICY**

The Board of Directors on its own and/ or on the recommendation of C.S.R. Committee can amend its policy as and when required deemed fit. Any or all provisions of C.S.R. 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.