

**KARNATAKA STATE SMALL INDUSTRIES  
DEVELOPMENT CORPORATION LTD'S  
CORPORATE SOCIAL RESPONSIBILITY**



## **Corporate Social Responsibility Policy**

### **I. Preamble**

With the Companies Act, 2013, coming into force the mandatory provisions with respect of the Corporate Social Responsibility (CSR) Policy have been formally introduced for its adherence by Indian Companies. The industry has responded positively to this reform measures undertaken by the Government. KSSIDC is committed to discharge its corporate social responsibilities.

### **II. Objectives**

The main objectives of the CSR policy is to lay down guidelines for CSR activities of KSSIDC, in compliance with the requirements of Companies Act, 2013 and rules made there-under.

### **III. CSR Committee**

The Board has re-constituted a CSR committee of four Directors of the Board as under:

- 1) M D - KSSIDC
- 2) President - KASSIA
- 3) MSME, Director

#### **The CSR Committee will:**

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII forming part of Section 135 of the Companies Act, 2013.
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) monitor the Corporate Social Responsibility Policy of the company from time to time.

The amount released under CSR and implementation of the projects /programmes/ activities will be monitored by the CSR committee.

### **IV. Board**

The Board, duly considering the recommendations of the CSR committee shall approve CSR policy of the company and will disclose the contents of the policy in its reports to members and also on the company's website. The Board shall also ensure that, the activities included in the CSR policy are undertaken by the company during the relevant financial year for its implementation within the overall policy frame work, and the provisions of Companies Act thereof.



## **V. Expenditure**

KSSIDC considering its profits will make payments for implementing projects under CSR as per the provisions of Section 135 of the Companies Act, 2013.

## **VI. Broad guidelines for consideration of the proposals and approval of CSR projects/programmes and activities.**

1) All eligible organisations/Institutions/Trusts/AOPs/Companies including companies formed with charitable objectives /Boards & Corporations/Govt. institutions/State & Dist. Authorities such as Deputy Commissioners and Zilla Panchayaths, State Regional and other/Dist. level departments, can apply for contribution under CSR.

2)The proposal on CSR should contain the following details:

- a) Request letter
- b) Name of the projects
- c) The cost of the project together with its plan and cost estimates and means of finance thereof.
- d) Time limit for completion of the project
- e) Copy of the Board of management approval for the project.
- f) Copy of byelaws / trust deed/ memorandum of articles of association or such other laws applicable to the concerned institution. The Trust seeking contribution under CSR should have been established without profit motive/share of profits to the trustees.
- g) An undertaking letter that the institution will abide by the terms and conditions of the CSR policy of KSSIDC.
- h) In case of Trusts/ NGO's, in addition to the approval of the Registrar of societies; it should be ensured that the concerned NGOs/Trusts, also possess certification/recognition from the concerned State/Central Govt. department/s, wherever applicable.

3) Individual proposals have to be within the framework of the CSR projects/programmes/activities.

4) Every CSR proposal has to be projected, inter-alia covering its activities, time frame, financial requirement, organisational responsibilities / commitments on timely completion of the project.

5) The proposals received may be subject to preliminary inspection by CSR Committee so as to consider its overall eligibility under the scope of CSR Policy of the Company.

6) The amount released under CSR will be subject to inspection by Project Monitoring Unit at regular intervals till the completion of the project.



Activities/ Areas of focus on CSR as per the provisions of 135 of Companies Act, 2013, the activities to be covered under CSR are notified by way of schedule VII forming part of the Companies Act. The details of the same is as under:

Activities relating to :-

1. 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;
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 centres 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, 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].
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 arts and handicrafts;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
8. contribution to the Prime Minister's National Relief Fund and 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;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects.
11. slum area development, as notified by the appropriate authority. The activities as above will undergo amendments/changes if any to be notified by Government from time to time.



7) The organisation will have to furnish utilisation and completion certificate on the projects sanctioned under CSR and an undertaking in this regard has to be furnished by the concerned institution, before availing disbursement.

8) The concerned institution has to refund the un-utilised amount sanctioned and released by KSSIDC under CSR.

9) The institution concerned has to utilise the funds meant for the project in a transparent manner. In case of contribution to Govt. companies/ institutions the provisions of KTPP Act have to be followed in utilisation of funds released by KSSIDC under CSR.

10) In case of project/s partly sanctioned by KSSIDC, the concerned institution has to give an undertaking as to how the balance amount will be met by them for completion of the project/s under CSR.

11) The company reserves the right to recall the amount released under CSR without assigning any reasons in case if it comes to the notice of KSSIDC that the amount released for the project is not utilised for the same.

## **VII. Implementation Strategy**

The CSR projects/activities shall be implemented in two ways as under:-

- 1) Through NGOs/Voluntary Organisations/Trusts themselves.
- 2) Through concerned State/District authorities such as the Chief Ministers Relief Fund of the Government of Karnataka, Deputy Commissioners of the Dists. and Zilla Panchayaths, State Regional and other/Dist. level departments/organisations.

## **VIII. Audit**

In addition to the continuous monitoring of the activities by the CSR committees, all the CSR activities and expenses made thereon will be subject to audit by the Company Auditor/s as well.

## **IX. Conclusion**

The CSR policy of the company as above is only illustrative and will be amended from time-to-time within the overall provisions of the Companies Act and rules made there under.