



CORPORATE SOCIAL RESPONSIBILITY POLICY

**Kerala State Backward Classes
Development Corporation Ltd.**

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CORPORATE SOCIAL RESPONSIBILITY POLICY

I. CSR POLICY

The objective of this CSR policy is to lay down guidelines and mechanism for undertaking projects, programs and activities towards KSBCDC's responsibilities on making a positive contribution to society through high impact, sustainable projects.

II. VISION STATEMENT AND OBJECTIVE

1. CSR Policy of KSBCDC sets out the commitment towards ensuring that our activities extend beyond business and include initiatives and endeavors for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programs geared towards social welfare activities or initiatives. Through this CSR Policy, we propose to adopt the CSR Activities mentioned below.
2. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act 2013 and the rules issued thereunder.
3. The objectives of the CSR Policy are to:
 - (i) Outline projects, programs and activities to be undertaken by KSBCDC;
 - (ii) Specify the modalities of execution of such projects, programs and activities;
 - (iii) Monitor the process to be followed for such projects, programs and activities;
 - (iv) Directly or indirectly take up programs that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local.

III. IMPLEMENTATION

1. The Board shall ensure that the CSR activities are undertaken 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 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, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Provided that, every entity mentioned above 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 1st day of April 2021. However for the CSR projects or programs approved prior to the 1st day of April 2021, registration by filing form CSR-1 is not needed.

- 2. For ongoing projects, baseline survey would be conducted by the implementing agency and annual reviews shall be undertaken to ascertain the progress.
- 3. The CSR Committee shall be responsible for implementation of this CSR Policy.

IV. CSR COMMITTEE

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company, consisting of three or more Directors. The Chairman of the CSR Committee shall be appointed by the board of directors

The Company Secretary shall be the secretary to the Committee. The CSR Committee may invite other experts/invitees as per its requirements. CSR Committee will have its meeting at least once in every quarter.

- 1. Role of CSR Committee:
 - (i) To 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 of the Companies Act, 2013 (as amended from time to time).
 - (ii) To recommend the amount of expenditure to be incurred on the activities in a financial year.
 - (iii) To monitor the Corporate Social Responsibility Policy of the company from time to time.

- (iv) Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

V. RESPONSIBILITIES OF THE BOARD

The Board shall:

- Form a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Ensure that the CSR policy is displayed on the website of the Company in the manner prescribed under the applicable statute.
- Ensure implementation of the activities under CSR.
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Head of Finance &Accounts shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. The Finance &Accounts Department of the Company shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

VI. CSR BUDGET

1. The Board shall ensure that the company spends in every Financial Year, at least 2% of average net profits of the company made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.
2. The efforts would be made that budget allocated for CSR Projects planned for each financial year is spent within that year itself
3. If due to some exceptional circumstances, the budget of a year remains unutilized/unspent, the reasons for not being able to spend the entire budget, on CSR activities as planned for that year, to be specified in the CSR report
4. Any surplus generated out of the CSR activities not to be added to the normal profits of the organization

5. All Administrative expenses, including expenditure on wages and salaries, tours and travels, Laptop, Printer, Scanner, utilities, office supplies and training and development of personnel deputed on CSR Activities would be born from CSR funds. However, the expenditure in a financial year for building CSR capacities of the personnel as well as the implementing agencies shall not exceed 5% (five per cent.) of total CSR expenditure in such financial year.

VII. PROJECTS, PROGRAMMES AND ACTIVITIES

KSBCDC has identified the following focus areas of intervention for the implementation of its CSR policy and has identified the following as the priority projects;

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, implement Cancer care for life and treatment for chronic diseases to the affected people and 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, livelihood enhancement projects like free distribution of aiding equipment to the handicapped persons.
- (iii) Promoting gender equality, improving the living conditions of the transgender, 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.
- (iv) Measures for reducing inequalities faced by socially and economically backward groups provide and improve facilities of people living in group, especially in colonies, etc.
- (v) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water.
- (vi) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government..
- (vii) Rural development projects
- (viii) 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 Caste, the Scheduled Tribes, other backward classes, minorities and women
- (ix) Such other things as specified in Schedule 7 of the Companies Act 2013 in line with Section 135.

VIII. MONITORING MECHANISM

Review and Monitoring Committee

CSR proposals shall be approved by Review and Monitoring Committee through an approval process and then the proposals shall be placed before the CSR Committee.

The Review and Monitoring Committee of the Company shall be responsible for monitoring of CSR activities at every stage on a day-to-day basis. They shall keep track of the progress of the CSR activities on a regular basis through status check from implementing agency, site visits etc. and also obtain feedbacks from the targeted beneficiary.

The progress report of CSR activities at each stage shall be obtained from the Implementing Agencies on a regular basis which shall be reviewed by CSR Committee

The Review and Monitoring Committee will consist of:

- Managing Director as chairperson
- Head of Finance & Accounts and
- Company Secretary (Member-convener)

The Committee will have its meeting at least once in every quarter.

IX. REPORTING

1. The CSR Committee shall maintain proper minutes of all its meeting
2. The Board's report shall include an annual report on CSR containing such details as may be prescribed from time to time under the Act and the CSR Rules.
3. The CSR Committee will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the CSR Rules are complied with.

X. GOVERNANCE

1. If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the CSR Committee may, with approval of the Board, may discontinue funding the project at any time during the course of implementation and use such funds for any other projects.
2. The CSR Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this CSR Policy.
3. The quorum for the CSR Committee meeting shall be one-third of its total strength or three members, whichever is higher.
4. CSR Committee to meet at least once in every quarter to review the implementation of CSR projects and give suitable direction.
5. The CSR projects or programs or activities that benefit only the employees of the Company and their families or activities undertaken in pursuance of normal course of business of the Company shall not be considered as CSR activities in accordance with this Policy or under Section 135 of the Companies Act, 2013.

XI. AMENDMENT OF THE POLICY

The CSR Committee is empowered to amend or modify the CSR Policy and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable law, at any time approve or alter, amend or modify the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.