



# Corporate Social Responsibility (CSR) Policy



**KICHHA SUGAR COMPANY LIMITED**

**“KSCL”**

**KICHHA -263148**

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## Contents

1. Preamble
2. Purpose
3. Scope
4. Governance
5. CSR Programme –Selection, Design, Delivery, Monitoring
  - 5.1 Focus Areas
  - 5.2 Criteria for selection of CSR Activities
  - 5.3 Delivery Mechanism
  - 5.4 Monitoring & Evaluation
6. Fund Allocation
7. Reporting & Communication
8. Review

**Annexure-I:** Linkage between KSCL Corporate Social Responsibility Focus Areas and Schedule VII

**Annexure-II:** Indicative list of CSR projects/ programs/ activities

## 1. Preamble

Sugar Industry in India has an important role to play for the socio-economic development of rural population, mainly the farmers engaged in the sugarcane cultivation. It is one of the prime support provider essential for rapid growth of the rural economy.

This policy outlines the Company's social and moral responsibilities to consumers, employees, shareholders, society and local community and lays down guidelines and mechanism for carrying out programmes, projects and activities that actively assist in overall improvement in the quality of life of local community residing in the vicinity of its plants and society at large as also making them self-reliant, safeguarding of health, preservation of ecological balance and protection of environment. The primary objectives of this Policy are: -

- a) To directly or indirectly take up programmes that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life & economic well-being of the local population.
- b) To generate, through its CSR initiatives, a community goodwill for KSCL and help reinforce a positive & socially responsible image of KSCL as a corporate entity.

## 2. Purpose

The purpose of this policy is to make CSR activities aligned so that they are:

- Focused on broad areas of Education, Water, Health and Sanitation, bringing maximum value to the society and the organization;
- Outcome centric, rather than activity based;
- Monitored in terms of impact and opportunity for improvement;
- Useful in instilling confidence in stakeholders through effective communication.

### 3. Scope

- Geographical area to be considered for CSR activities will be within the reserve area or command area from where KSCL procures sugarcane for its use.
- KSCL may take up CSR activities in areas beyond the command area only in case of natural calamity.

### 4. Governance

**Ministry of Corporate Affairs vide their notification dated 28<sup>th</sup> September, 2020 related to Companies (Amendment) Act, 2020 have inserted following Sub-section (9) in Section 135 of the Companies Act, 2013:**

*“(9) Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.”*

KSCL falls under the abovementioned criteria and thus entire Board of Directors shall ensure operating system and monitoring mechanism for development and implementation of CSR activities.

- *Subject to the Ministry of Corporate Affairs Notification dated 28<sup>th</sup> September, 2020 attention has been drawn on **any reference of ‘CSR Committee’ in this policy shall be discharged by entire Board of Directors of the company until any CSR Committee of the board has not been constituted for the purpose.***

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the amendments in the Companies Act, 2013 or Companies (Corporate Social Responsibility) Rules, 2014 and any guidelines on the subject as may be issued by the Government, from time to time.

The Board reserves the right to amend, modify, cancel, add, or alter any provisions of this Policy.

## **5. CSR Programme –Selection, Design, Delivery, Monitoring**

### **5.1. Focus Areas**

KSCL shall undertake activities in four focus areas as mentioned in Clause 2 of this policy. The linkage of these areas to the activities mentioned in Schedule-VII, Section 135 of Companies Act is mapped in **Annexure-I**. List of activities mapped to Schedule-VII, Section 135 is enclosed at **Annexure-II**. Majority of CSR programs would be tailored to bring wide reach, long lasting, impactful contribution to these focus areas.

### **5.2. Criteria for selection of CSR Activities**

KSCL shall undertake the CSR activities conforming to any of the following:

1. Activities identified through need assessment by board of directors and/or inputs received from cane societies, district administration, neighbourhood community and other participatory forums/bodies like interaction with senior management etc.
2. Identified activities should be in line with the list of activities specified in Schedule VII of the Companies Act 2013 & rules made there under.
3. Any other activity for benefit of community at large.

### **5.3. Delivery Mechanism**

CSR activities will be undertaken by the Company to the best possible extent within the defined ambit of the identified “Focus/ Thrust Area” as approved by the Board of directors / CSR Committee, either directly or through such other entity/ trust approved by the Board of directors / CSR Committee as described below. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

The Board of directors / CSR Committee of KSCL will decide to undertake its CSR activities through:

- i) 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 any entity established under an Act of Parliament or a State legislature; or
- ii) such other company established under section 8 of the Act or a registered trust or a registered society, have an established track record of three years in undertaking similar programs or projects;
- iii) KSCL may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the Board of directors / CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with Companies (CSR) Rules, 2014.

The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

#### ***5.4. Monitoring & Evaluation***

Effectiveness of CSR programme will be assessed through internal evaluation.

Progress will be measured against the findings of a need-assessment (conducted prior to start of the project).

The progress of CSR activities under implementation will be reported to the Board of directors / CSR Committee, through the Company Secretary of KSCL, on a quarterly basis.

The CSR Committee may, independently, obtain feedback from the beneficiaries about the CSR programmes.

Appropriate documentation of the KSCL's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.

## 6. Fund Allocation

- Fund allocation shall follow the Ministry of Corporate's stipulated guidelines as issued from time to time. Surplus arising out of any CSR projects/ activities does not form part of business profit of KSCL. Any amount remaining unspent will be dealt with as per provisions of companies act.
- KSCL shall spend every year, minimum two percent (2%) of the average net profits made during the three immediately preceding financial years, for CSR activities.
- Major portion of the CSR budget will be allocated for activities in the vicinity of KSCL location as mentioned in clause 3 of this document.

## 7. Reporting & Communication

Company will communicate CSR related information including efforts, achievements etc. to stakeholders through:

- Company's Board Report;
- Website of the Company;
- Local/ National print & visual media, conferences, workshops and other forums;
- Internal workshops, training, news bulletins, brochures, intranet etc. are extensively used to create awareness about CSR initiatives, among internal stakeholders.

## 8. Review

The policy shall be reviewed every three years or sooner if necessitated by changes in business and regulatory framework.

# Annexure - I

## Linkage between KSCL Corporate Social Responsibility Focus Areas

Activities in Sch.-VII (Updated till January 31, 2021)		Focus Area			
		Educ- ation	Health	Sanitat- ion	Water
(i)	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.		✓	✓	✓
(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 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;				
(vii)	training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports;		✓		



(viii)	contribution to the prime minister's national relief fund 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)	<p>(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</p> <p>(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 AYUSH; Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (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).</p>				
(x)	rural development projects;	✓	✓	✓	✓
(xi)	slum area development;	✓	✓	✓	✓
(xii)	disaster management, including relief, rehabilitation and reconstruction activities.		✓	✓	✓

## Annexure - II

### Indicative list of CSR projects/ programs/ activities

Activities in Sch.-VII (Updated till January 31, 2021)	CSR projects/ programs/ activities
(i) 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.	<ul style="list-style-type: none"> <li>• <b>In the area of healthcare activities to:</b> <ul style="list-style-type: none"> <li>- Promote good health through Yoga, Lifestyle Changes and Awareness Creation on health related issues etc.</li> <li>- Prevent disease through fogging/ spraying/ distribution of mosquito nets etc.</li> <li>- Making primary health care accessible, affordable and inclusive through:                             <ul style="list-style-type: none"> <li>• Health camps</li> <li>• Outreach Services through Mobile Medical Unit</li> </ul> </li> <li>- Partnering with GoI in Revised National Tuberculosis Control by providing Designated Microscopy Centres (DMC) and Directly Observed Treatment (DOT) in the surrounding areas of KSCL's operations.</li> <li>- Augmenting and strengthening healthcare infrastructure - primary, secondary and tertiary</li> </ul> </li> <li>• <b>In the area of water activities to:</b> <ul style="list-style-type: none"> <li>- Augment water availability - watershed management, check dams, deepening of ponds etc.</li> <li>- Improve access to water - bore wells/ tube wells/ hand pumps/ piped water</li> </ul> </li> <li>• <b>In the area of sanitation activities to:</b> <ul style="list-style-type: none"> <li>- Improve sanitation facilities by:                             <ul style="list-style-type: none"> <li>• Construction of individual toilets</li> <li>• Construction of community/ public toilets</li> <li>• Construction of drains</li> <li>• Installation of sanitary napkin vending machines with incinerators</li> <li>• Setting up low cost sanitary napkin manufacturing units through women self-help groups</li> </ul> </li> <li>- Improve awareness about sanitation</li> </ul> </li> <li>• <b>Mainstreaming physically challenged persons by:</b> <ul style="list-style-type: none"> <li>- providing them with aids and appliances</li> </ul> </li> <li>• Operating Disability Rehabilitation Centre for assessment and provision/ fitment of assistive devices to persons with disability.</li> </ul>

(ii)	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	<ul style="list-style-type: none"> <li>• <b>In the area of education activities like:</b> <ul style="list-style-type: none"> <li>- Providing basic educational supplies to school children essential to the fulfillment of their right to education</li> <li>- Making education inclusive by providing scholarships</li> <li>- Providing coaching for competitive examinations</li> <li>- Improving learning levels</li> <li>- Holistic education of girls</li> <li>- Augment and strengthen educational infrastructure</li> <li>- Providing various assets to schools</li> </ul> </li> <li>• <b>In the area of vocational training and livelihood enhancement activities like:</b> <ul style="list-style-type: none"> <li>- Training to youth to make them Employable, Enterprising and Entrepreneurial</li> <li>- Capacity building of farmers through training, demonstration, exposure visits, hand holding</li> <li>- Enhancing milk production by improving cattle breed through artificial insemination, improved feed and fodder practices, making available on farm veterinary services etc.</li> <li>- Supporting the Government of India's scheme for up gradation of ITIs under PPP mode</li> <li>- Setting up Industrial Training Institutes</li> </ul> </li> </ul>
(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.	<ul style="list-style-type: none"> <li>• Providing training to women to make them Employable, Enterprising and Entrepreneurial</li> <li>• Augmenting and strengthening infrastructure and providing assets for old age homes/ hostels for women/ orphanages etc.</li> <li>• Other measures for reducing inequalities faced by socially and economically backward groups</li> </ul>
(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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	<ul style="list-style-type: none"> <li>• Activities for protecting &amp; maintaining environment (Air, Soil and Water).</li> <li>• Initiate &amp; support measures to conserve natural resources (by reduction, reuse and recycling), optimize usage of renewable energy, increase energy efficiency and reduce GHG emissions.</li> <li>• Activities for Biodiversity Conservation, protection of Fauna &amp; Flora &amp; restoring ecological balance.</li> <li>• Promoting Animal Welfare &amp; Agro Forestry.</li> <li>• Awareness / training programs / workshops / seminars on sustainable development</li> </ul>
(v)	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and	<ul style="list-style-type: none"> <li>• Promoting rural art and culture - rural cultural programmes, performing arts, festivals &amp; melas</li> </ul>

	works of art; setting up public libraries; promotion and development of traditional art and handicrafts;	<ul style="list-style-type: none"> <li>• Programs for Protection of national heritage including restoration of buildings and sites of historical importance</li> <li>• Protection, promotion and development of traditional arts &amp; culture, handicrafts etc.</li> </ul>
(vi)	measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;	Activities for the benefit of armed forces veterans, war widows and their dependents
(vii)	training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;	Support for rural and national sports - talent scouting, training, sports infrastructure, sports equipment, leagues and tournaments
(viii)	contribution to the prime minister's national relief fund 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;	<ul style="list-style-type: none"> <li>• Relief to victims of Natural Calamities like earthquake, cyclone, drought, fire &amp; flood</li> <li>• Activities for support to welfare of the Scheduled Castes, the Scheduled Tribes, backward classes, minorities and women</li> </ul>
(ix)	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Government	Support for technology incubators
(x)	rural development projects;	Projects for improvement in health, education, sanitation, and water etc. in rural areas.
(xi)	slum area development;	Projects for improvement in health, education, sanitation, and water etc. in slum areas.
(xii)	Disaster management, including relief, rehabilitation and reconstruction activities.	Various activities for relief, rehabilitation and reconstruction etc. for disaster affected areas.

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