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KERALA STATE POWER & INFRASTRUCTURE FINANCE CORPORATION LTD.

(A GOVT. OF KERALA UNDERTAKING)

KSPIFC

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KERALA STATE POWER AND INFRASTRUCTURE FINANCE CORPORATION LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

We are committed to the overall development and progress of the Kerala State with substantial aid from the Government of Kerala and Kerala State Electricity Board Limited. We have therefore determined to bring together our existing operating principles into one framework policy under the heading of Corporate Social Responsibility (CSR).

2. Policy Statement:

Committed to societal needs with Green Earth Policy and clean energy management.

3. Constitution of CSR Committee

The Board of Directors itself will act as CSR Committee of the Company. Reconstitution of the Committee shall be involuntary as and when Board gets re-constituted and voluntary when required based on the alterations and amendments made in the Act. The Committee shall meet as and when as required to conduct its CSR plans. The quorum of the meeting shall be two members with the Directors participation in person or through any electronic mode. The Minutes of the meeting shall be placed before the Board for noting.

The Board shall disclose the composition of the CSR Committee in its report attached to the Company's Annual Report.

4. Functions of CSR Committee

The Committee shall—

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company ;
- recommend the amount of expenditure to be incurred on the activities ; and
- monitor the Corporate Social Responsibility Policy of the company from time to time.

5. Strategy

KSPIFC as a responsible Corporate entity shall consistently strive to meet the expectations of the society by supporting initiatives for improving infrastructure/ quality of life of society/ community without compromising on ecological issues on sustainable basis. It shall not support activities which may create dissatisfaction within the society and which may affect social harmony in any manner.

CSR strategies should have a project-based approach.

While implementing the CSR projects, KSPIFC shall strive to undertake at least one project for the development of a backward district in the country and at least one project of environmental sustainability.

KSPIFC shall constantly endeavour for upliftment of women and support persons with disabilities particularly in the skill development initiatives.

Energy & Infrastructure Loans for all

KSPIFC shall endeavour to take up long gestation, high impact projects from the budget allocated for Corporate Social Responsibilities and Sustainable Developments activities.

KSPIFC shall ensure that the surplus arising out of the CSR Projects or programmes or activities shall not form part of the business profit of the Corporation.

6. Identification of Projects:

From the Schedule VII list of notified projects, KSPIFC identifies the following:

1. Renewable Energy Projects (covered under Schedule VII (iv)-Environmental Sustainability, ecological balance and conservation of Natural Resources.)
2. Rural Development Projects (covered under Schedule VII (iii) –Measures to reduce inequalities faced by socially & economically backward groups)
3. Energy Audits for energy conservation(covered under Schedule VII (iv)-Environmental Sustainability, ecological balance and conservation of Natural Resources.)
4. Eradicating extreme hunger and poverty;
5. Promotion of education;
6. Promoting gender equality and empowering women
7. Reducing child mortality and improving maternal health;
8. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
9. Ensuring environmental sustainability;
10. Employment enhancing vocational skills;
11. Social business projects;
12. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socioeconomic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and;
13. Any other matters as may be prescribed by the CSR Committee.

7. Implementation of Projects:

CSR activities should be undertaken only through Govt. implementing agencies, and deviations, if any, in this regard should be submitted for approval of Board of Directors on case to case basis. In case of need based project required to be executed through implementing agencies other than Govt. implementing agencies, CSR committee shall invite Expression of Interest (EOI). However, the condition of inviting EOI shall not be applicable where the Implementing Agencies are Govt./Semi Govt. Bodies. Similar condition shall prevail in case of Baseline Survey/DPR & Impact Assessment Studies.

CSR Committee should identify and obtain suitable proposals in the identified thrust areas from various sources i.e. Central govt. agencies, State govt. agencies, PSUs, reputed organizations etc.

A suitable mechanism shall also be developed to identify and screen the proposals from time to time.

CSR proposals shall be first examined by the CSR committee and suitable proposals shall be put up to CSR Committee of Directors for consideration / approval following due approval process in KSIPFC. After obtaining approval of Committee of Directors, the proposals shall be put up for consideration & approval of the Board of Directors (BoD).

A Memorandum of Agreement (MOA) and other legal documents to safeguard the interest of the Corporation shall be signed with the Implementation /coordinating agency. Legal documentation shall be carried out by CSR Committee duly vetting the documents and shall contribute to Implementation /coordinating agencies like Societies and Government Funds or agencies having 12A registration and PAN Registration. The current Income Tax statement should also be collected from the agencies. These shall be collected and confirmed before approving the project. Utilisation certificate needs to be collected annually from the agencies to ensure end use.

Efforts shall be made to the extent possible to define the following while identifying the CSR projects:

- Programme objective
- Baseline survey
- Implementation schedule
- Responsibilities and Authorities
- Payment terms
- Major results expected and measurable outcome

At any stage, if there exist a need, MD can engage the services of an outside expert in the field to assist the CSR Committee in Evaluation or Selection of Projects etc.

8. Reporting:

Compliance on CSR activities will be reported to stakeholders through the Annual Report or its annual Corporate Social Responsibility Report.

9. Partnerships

The Company may for promoting its CSR activities, if so desire, engage in collaborative partnerships with the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders.

10. Appointment of agency for impact assessment:

Specialized agencies such as Govt./ Semi govt. organizations/ PSUs/ NGOs/ Reputed Institutions and Academic Organizations etc. shall be selected as per Delegation of Power (CSR).

11.Approving Authorities (Delegation of Power):

Activity	Approving Authority
Sanction of Projects	Board of Directors on recommendation of CSR Committee of Directors irrespective of amount.
Expenditure for dissemination of CSR projects	As per budgeted amount sanctioned by CSR Committee and Board – can be done by MD Beyond budget upto 50% increase – sanction of CSR Committee Above budget with more than 50% increase- sanction by Board
Impact Assessment Studies	Upto 15 lakhs- by MD

	Rs.15 lakhs to 50 lakhs- sanction of CSR Committee Above Rs.50 Lakhs- sanction by Board
Appointment of external expert to assist the CSR committee for any activity.	Full powers to CSR Committee
Extension of Project Completion Date	Upto 1 year by MD Beyond 1 year by CSR Committee
Minor changes without significant change in Scope of work	MD to approve minor changes including quantity variations, interchange of beneficiaries, change in locations etc. without significant change in Scope of work or other issues with regard to implementation of the project within the sanctioned cost.

All programmes approved in terms of the above delegation to be subsequently brought to the notice of the CSR Committee of Directors.

12. Budgets

The total budget for the CSR projects will be decided by the CSR Committee in accordance with applicable provisions of the Act and the CSR Rules.

13. Information dissemination to Public

The Company's engagement in this domain will be disseminated on our website & annual reports.

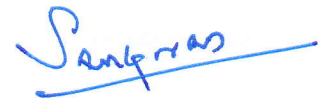
14. Management Commitment

We believe and act on ethos of all round development of the individual by providing quality life and opportunity to the less privileged in our society.

Our Corporate Social Responsibility policy conforms to all applicable laws and rules for the time being in force in India.

15. Approval

Approved by the Board of Directors of M/s KSPIFC Limited, on 30.05.2016



Managing Director