01) The Board at the 58th Meeting held on 08.09.2015 has accorded approval for certain amendments to the existing CSR Policy (which was recommended by the CSR Committee) relating to Quantum and Conditions to be fulfilled for availing Financial Assistance under CSR and also directed to publish the same in the website of the Corporation.

02) Accordingly, the revised policy incorporating the amendments approved by the Board is enclosed with a request to publish the amended CSR Policy in the website of the Corporation under a separate head “CSR POLICY”.

03) GM(MI)

CC: GM(F&A) / CL(O) / CA / M(T) / M(HR) / M(BRS) / M(O) / M(Est) / M(Admn) / M(Bills) & All the Depot Managers of IML and RS Depots

CC: ED(F&A) / ED(O) } along with revised CSR Policy
Managing Director } for kind information please
CSR POLICY

Karnataka State Beverages Corporation Limited

(A Government of Karnataka Undertaking)

Corporate Social Responsibility Policy
CSR POLICY

1. PREAMBLE

M/S. KARNATAKA STATE BEVERAGES CORPORATION LIMITED (KSBCL) is a Government of Karnataka undertaking Registered under the provisions of the then Companies Act 1956. Pursuant to Government of Karnataka Notification No.FD 16 PES 2033(viii) dt: 30.06.2003, the KSBCL is a Distributor under the License issued by Karnataka Excise (Sale of Indian & Foreign Liquor) Rules, 1968 in the State of Karnataka. The core activities of KSBCL consists of procuring Liquor / Spirit from Manufactures / Suppliers and sell the same to Retailers / Licensees. The Scope of the activities extends to cover all initiatives, steps and activities that are incidental and Ancillary to carry out the core activities. The KSBCL being a Government of Karnataka undertaking is promptly complying with the provisions of the Acts and Rules which are applicable from time to time.

2. CONCEPT OF CSR

Corporate Social Responsibility is strongly connected with the sustainability. An organisation should make decisions based not only on financial factors, but also considering the Social and Environmental Consequences. As the Corporate Citizen receiving various benefits out of the society, it is our Co-extensive responsibility to pay back in return to the society in terms of helping the needy people by providing foods, clothes etc., keeping the environment clean and safe for the society by adhering to the best Industrial practices and adopting best technologies.
CSR POLICY

It is the KSBCL's intent to make positive contribution to the society in which it operates.

The focus of the KSBCL has always been to contribute to the sustainable development of the Society. Even before the introduction of the concept of Corporate Social Responsibility, the KSBCL has been regularly Contributing to the Chief Ministers Relief Fund, and also to the institutions towards Health Care viz., Karnataka Institute of Diabetology, Jayadeva Institute of Cardiology, Kidwai Memorial Institute of Oncology, Bangalore etc.,

3. OBJECTIVES

KSBCL CSR Policy intends

➢ To strive to enrich the quality of life in different segments of the society.

➢ To positively impact Economic and Social conditions of the Communities in the areas in which it operates.

➢ To foster a culture of CSR amongst employees, Business Associates and Stake Holders.

➢ To earn goodwill of the Society and build reputation as a responsible Corporate Citizen.
CSR POLICY

4. FOCUS AREAS

KSBCL's CSR Policy will be operative within the overall ambit of CSR Provisions contained in the Companies Act 2013, Companies (CSR Policy) 2014, schedule VII to the Companies Act 2013 (a copy of which is enclosed) and amendments thereof from time to time.

5. CSR COMMITTEE

i. Composition - The Board at the 51st Board Meeting held on 18.06.2014 constituted CSR Committee consisting of –

   Sri. I.S.N. Prasad, IAS, Chairman
   AND
   Sri. Arvind Shrivastava, IAS, Managing Director

   of KSBCL as its members of the Committee in terms of Section 135 of the Companies Act 2013.

ii. Role & Responsibilities

   a) Formulating and recommending to the Board a CSR Policy which shall include the activities to be undertaken by the Company as specified in schedule VII of the Companies Act 2013.

   b) Recommend the amount of expenditure to be incurred on CSR activities.
CSR POLICY

c) To monitor the CSR policy of the KSBCL from time to time and for such other purposes as may be required under the provisions of the Companies Act 2013.

d) Any other matter / thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the KSBCL.

iii. **Meetings** - The CSR Committee shall meet as per the provision of the CA 2013 and Rules framed thereunder and as and when deemed necessary.

iv. **Quorum** - The Quorum of Meeting for the CSR Committee shall be one-third of the total strength OR Two Directors whichever is higher.

v. **Invitees** - The CSR Committee may invite Executives, Advisors, Representative of Social Organisations, Auditors and such other persons/officials as the Committee may deem necessary to attend the meeting.

6. **LIST OF ACTIVITIES / PROJECTS** -

The KSBCL can undertake CSR activities as per the provisions of the Companies Act 2013 as specified in schedule VII to the Companies Act 2013, excluding activities undertaken in pursuance of normal course of business. The components of CSR activities would include modalities of execution, implementation schedule, utilisation of funds and monitoring mechanism.
CSR POLICY

7. BUDGET

i. For achieving its CSR Objectives OR Programmes, KSBCL will allocate 2% of its average Net Profits made during the three immediately preceding Financial Years as its Annual CSR Budget.

ii. The Annual CSR Budget shall be spent on the activities laid down in this policy.

iii. Any surplus arising and / OR additional Revenue generated out of CSR Activities undertaken by the KSBCL shall not form part of business profits and the same shall be ploughed back for undertaking any CSR Activities only.

iv. Any unspent / unutilised CSR Allocation of a particular year, shall be carried forward to the following year, i.e. the CSR Budget will be non-lapsable in nature.

7A. QUANTUM AND CONDITIONS FOR AVAILING FINANCIAL ASSISTANCE

1) Out of the eligible amount in every Financial year towards CSR

   a) 85% shall be contributed to the CSR activities to the Government and Government sponsored institutions.

   b) 15% shall be contributed to the Private Institution/s - Organization/s to the CSR activities subject to fulfillment of the following conditions:-
CSR POLICY

i. The Moto of the Private Organization/s shall be only for charitable purpose and not for profit making motive.

ii. The Private Organization shall not be affiliated to any political party or religious group.

iii. The Private Organization/s shall be in existence for at least 10 years.

iv. Such Organization/s shall be Registered under the concerned Government authorities for undertaking CSR activities and produce the certificate to this effect.

v. The Private Organization/s shall produce the Audited Income and Expenditure Account and Balance Sheet for at least three Financial Years, including the activities which were completed in the last three years and activities which are under progress.

vi. Income Tax exemption certificate issued by the Income Tax authorities.

vii. A team of officers of the Corporation should visit such Private Institution/s and certify its existence and activities undertaken by them.

viii. The Private Organization/s shall send its status report for the activities undertaken by them out of the contribution made by the Corporation periodically till its completion.

ix. Such other documents / information as may be sought by the Corporation to its satisfaction.
CSR POLICY

2) In case, there are no Private Organization/s fulfilling the aforesaid conditions in any of the Financial Year, the balance / entire amount shall be contributed to the Government / Government sponsored Institution/s.

* APPROVED AT THE 58TH BOARD MEETING HELD ON 08.09.2015

8. IMPLEMENTATION OF CSR ACTIVITIES

i. The CSR projects / activities will be undertaken either in-house or through a Registered Trust or Society or Company established under Section 8 of the CA 2013 or may collaborate with such other Companies / Trust or Foundation etc., as the CSR Committee may decide. However, subject to the fulfilment / Compliance of the Corporate (Social Responsibility Policy) Rules 2014.

ii. If KSBCL fails to spend the amount, towards CSR Activities then reason for not spending shall be stated in the Director’s Report.

9. MONITORING MECHANISM

A Senior Officer of the KSBCL OR a Committee consisting of such officers as CSR Committee may deem fit will be appointed to ensure effectively, monitor and implement the projects approved by the Board. The said Senior Officer / Committee will submit the reports periodically to the CSR Committee.
10. **REPORTING MECHANISM**

CSR Policy and its contents shall be displayed on the website of KSBCL as per the format specified in the Companies (CSR Policy) Rules 2014. The Directors Report shall include an Annual Report on CSR Activities in the same format.

11. **EFFECTIVE DATE**

This policy is effective from April 01, 2014.

12. **GENERAL**

i. The committee shall recommend the Board suitable CSR Activities to be undertaken during the Financial Year along with the Detailed Plan, Modalities of Execution, Implementation Schedule, Monitoring process and amount to be incurred on such activities.

ii. The Board shall give its approval based on the recommendation of the CSR Committee and in Compliance of this policy.

iii. The CSR Committee shall submit its report giving status of CSR Activities undertaken, expenditure incurred and such other details as may be required by the Board.

iv. KSBCL shall not make any payment directly or indirectly to the political parties for CSR Activities.
v. The CSR Project / activities / programmes that benefit only employees of KSBCL OR their families shall not be considered as CSR Activities in accordance with Section 135 of CA 2013.

vi. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference shall be made to the CSR Committee. The interpretation and decision of the Committee shall be final in respect of such matters.

vii. The CSR Committee reserves its right to modify, add OR amend any provisions of this policy subject to approval of the Board.

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Arvind Shrivastava, IAS
MANAGING DIRECTOR

CSR POLICY APPROVED AT THE 55TH BOARD MEETING HELD ON 28.02.2015