

ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಿದ್ಯುನ್ಮಾನ ಅಭಿವೃದ್ಧಿನಿಗಮ ನಿಯಮಿತ

Karnataka State Electronics Development Corporation Limited

(A Government of Karnataka Enterprise)

(CIN No. U75112KA1976SGC003055)

CSR POLICY

OF KARNATAKA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED

(KEONICS)

This CSR policy has been instituted based on the Corporate Social Responsibility (CSR) philosophy of KEONICS and provisions of Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2013. This policy will at all times be subject to the provisions of the aforesaid act and rules (as amended from time to time).

Preamble

KEONICS believe that corporate success and social welfare are deeply interdependent. As a responsible corporate citizen, our commitment to growth extends beyond mere financial performance. We are dedicated to operate in an economically, socially, and environmentally sustainable manner while safeguarding the interests of all our stakeholders.

KEONICS believe that CSR is not mere statutory obligation, but an opportunity to give back to our society by creating a positive and lasting social impact by contributing to the nation-building programme at large. KEONICS also believe in mere donations but to undertake CSR activities that reach and accomplish the actual need of the society at another end.

Effective Date

This amended policy is into force with effect from 09th October, 2026.

Objective

The Company being a responsible corporate citizen has always believed in going beyond plain compliance with the laws of the land. Thus, the objective of the CSR Policy of the Company is not just to meet the legal requirements, but to have a profound positive social impact. The CSR policy of the Company is an effort to uphold the interest of various stakeholders, along with the community and the environment as a whole.

- The Company is committed to improve the quality of life for the communities.
- The Company endeavours to facilitate livelihood opportunities & socio-cultural development in areas of its operations.
- The Company seeks to undertake Corporate Social Responsibility activities, which extend beyond the ambit of the business and focuses on human, environmental and social assets, for the benefit of underprivileged communities, towns and villages.
- The Company and the employees are to actively involve and participate in social welfare projects by voluntarily taking time off from work.
- To focus more on CSR activities relating to the thrust areas of Skill Development, entrepreneurship development and empowerment through technology.

CSR Activities

The CSR Policy lays down guidelines for the Company to undertake CSR activities, which are directed towards positively contributing to society through various sustainable and social welfare initiatives.

The CSR Policy of the Company shall be governed by the various provisions of the Companies Act 2013, Companies (Corporate Social Responsibility) Rules, 2014 (“CSR Rules”) and any other rules made there under, or that may apply from time to time. The Company proposes to undertake the CSR activities in any of the following areas:

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, operate or manage 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; Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) 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.
 - 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
 - (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 Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (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).
10. Rural development projects;
11. Slum area development;
12. Disaster management, including relief, rehabilitation and reconstruction activities.
13. Any other activities in relation to above and all other activities which form part of CSR as per Schedule VII of the Companies Act, 2013 as amended from time to time.

The CSR activities shall be undertaken in India for the benefit of general public, provided that preference shall be given to the local area and areas, where the Company operates, focusing more in the areas of Skill Development, entrepreneurship development and empowerment through technology for undertaking the CSR activities.

CSR Committee

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of three or more directors, out of which at least one shall be an Independent Director.

The CSR Committee shall meet as and when required or deemed necessary.

Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.

The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting.

Responsibility of the CSR Committee

- Formulate and recommend to the Board, a CSR Policy including amendments therein, if any, in the areas or subjects specified in Schedule VII;
- Monitor the Policy from time to time and recommend changes to the Board;
- Recommend the amount of expenditure to be incurred on CSR projects/ activities; and
- Constitute a transparent monitoring mechanism for ensuring effective and efficient implementation of the CSR projects.

Responsibility of the Board of Directors

- Approving the CSR Policy as recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit;
- Ensuring that in each financial year, the Company spends at least 2% (or any threshold prescribed by MCA and even above that threshold) of the average net profit of the Company made during the three immediately preceding financial years in accordance with the provisions of section 135 of the Companies Act, 2013 and the Rules made there under;
- Average Net Profit shall be calculated in accordance with provisions of Section 198 of the Companies Act, 2013 and rules made there under.
- Ensuring that every financial year, funds committed by the Company for CSR activities are utilized effectively;
- Ensuring that activities included by Company in its CSR policy are related to the areas or subjects specified in schedule VII of the Act;
- Ensuring that the preference shall be given to the local area around its operations for spending the amount earmarked for CSR projects

Implementation of CSR Activities

The Board shall ensure the CSR activities are undertaken by the company itself or through:

- Company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company;
- Company established under section 8 of the Act or a registered trust or registered society, established by the Central Government or State Government;

- Any entity established under an Act of Parliament or a State legislature.
- Company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities

CSR Implementation Observer

- Formulate a Delivery Matrix: Decide whether to execute projects directly, through a dedicated corporate foundation, or by partnering with verified, credible NGOs.
- Employee Engagement: Involve employees through corporate volunteering programs, which boost internal morale and ensure better project oversight. The CSR Committee to recommend and nominate one or more persons responsible for proper and timely implementation of CSR projects approved by the Board. It is at the discretion of CSR committee to appoint such number of individuals, as it deems fit, the observer(s) who is/are responsible for the smooth implementation of CSR projects.
- Real-time Monitoring & Key Performance Indicators (KPIs): Track metrics appropriate to the project— the CSR implementation observer shall have appropriate measure and check mechanism to evaluate the actual implementation of CSR project. He shall be accountable to collect utilization certificates from time to time and ensure proper maintenance documentation on CSR amount spent or to be spent, utilized or unutilized on such CSR projects activities.

CSR Expenditure

CSR expenditure will include all expenditure as may be permitted under the applicable laws, including contribution to corpus for CSR Programmes approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

Policy Review & Amendment Management

The CSR Committee shall review the CSR policy from time based on the changing needs and make suitable modifications as may be necessary with the approval of the board. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

Failure to spend the CSR Money

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Managing Director and Board of Directors specifying the reasons for not spending the amount. The board shall take necessary action to transfer such unspent CSR funds within the stipulated timelines to the Prime Minister Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund which in turn shall be reported by the Board of Directors in their Annual Report pertaining to the particular Financial Year.

Website Display

The Company shall display on its website the contents of its CSR Policy and other information as may be required to be displayed as per the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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