

Corporate Social Responsibility Policy of the National Small Industries Corporation Limited

1. Introduction

The Corporate Social Responsibility Policy of the National Small Industries Corporation Limited (NSIC) is aligned with its overall commitment to maintaining the highest standards of business performance. The Vision of NSIC is: *"To be a premier Organization fostering the growth of Micro, Small & Medium Enterprises (MSMEs) Sector"*.

The Mission of NSIC is: *"To promote and support Micro, Small & Medium Enterprises (MSMEs) Sector"* by providing integrated support services encompassing Marketing, Technology, Finance and other services.

The business activities of the Corporation have direct and indirect impact on the society. The Corporation always strives to integrate its business values and operations in an ethical manner to demonstrate its commitment to sustainable development of the various constituents of our Society.

The CSR commitment of NSIC positions its social and environmental consciousness as an integral part of its business plan and its commitment to all its stakeholders including the society at large.

2. Objectives of CSR Policy

The broad objectives of the CSR Policy of the Corporation would be as follows:-

- ✓ Corporate Social Responsibility is a company's commitment to its stakeholders to conduct business in an economically, socially, and environmentally sustainable manner that is transparent and ethical;
- ✓ Social Responsibility initiatives would be used for social value creation and adoption of "Shared Value Approach";

- ✓ The emphasis would be placed on the scalability of the projects in terms of their size and impact, rather than on their numbers.
- ✓ Activities which are selected under CSR as far as possible, will be implemented in a project mode;
- ✓ The emphasis would be on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions, and upliftment of the marginalized and under-privileged sections of the society;
- ✓ Provide training - vocational education and skill development training with a focus on the under privileged and physically challenged persons;
- ✓ Comprehensive and integrated community development;
- ✓ Medical facilities to the underprivileged / poor families.

3. Activities

The activities that will be undertaken will primarily focus on achievement of objectives as outlined above. The focus of the Corporation would be in the following areas towards the achievement of these objectives are as follows:

- i) Eradicating hunger, poverty and malnutrition, promoting preventive health care 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 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;
- v) Protection of national heritage, art and culture including restoration of buildings and sites or historical importance and works of art; setting up public libraries, promotion and development of traditional arts and handicrafts;
- vi) Measures 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;
- 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 Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x) Rural development projects.

These activities are as per the provisions of the Companies Act, 2013. In addition to above any activity as per the amendments in Companies Act, 2013 from time to time and as contained in the guidelines as issued by DPE from time to time w.r.t. Corporate Social Responsibility could be undertaken.

4. Budget Allocation

As per the provisions of section 135(5) the Board of every company referred to in sub-section (1), Shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (0) of sub-section (3) of section 134, specify the reasons for not spending the amount.

This allocation will not lapse in case it remains unutilized at the end of financial year. If due to some reason, the budget of a year remains unutilized, the same would not lapse. Instead, it would be carried forward to the next year for expenditure on Corporate Social Responsibility activities, which were planned for implementation in the previous year, but could not be completed due to some reason.

5. Organizational / Implementation Mechanism

The approved initiatives (projects selected) shall primarily be implemented through NSIC's closest field office(s), NTSC and the respective Zonal / NTSC Head shall be made responsible for execution, monitoring and completion of the project. At Head office level a duly constituted committee shall monitor the projects if any to be implemented by Head Office. The overall monitoring of Corporate Social Responsibility Plan of the Corporation shall also be carried out by the duly constituted committee.

In addition to above, a subcommittee constituted by the Board, shall accord expeditious clearance of the projects to be undertaken as Corporate Social Responsibility initiatives in case any additional / alternatives projects are required to be undertaken.

All Corporate Social Responsibility activities and expenses made thereon will be subject to audit by the Auditors of the Corporation.

6. Monitoring, Evaluation & Impact

- The impact of the Corporate Social Responsibility activities will be measured with the need assessment study or baseline survey done at the time of commencement of the activity;
- The Corporate Social Responsibility activities undertaken by the NSIC will be monitored on regular basis and progress review report will be submitted to the Board of Directors;

- The impact assessment of the various programmes / activity undertaken under the Corporate Social Responsibility, would be got done as per the provisions of Companies Act, 2013;
- The Board level committee headed by an Independent Director will oversee the implementation of the CSR Policy of the organization and will assist the Board of Directors to formulate suitable policies and strategies to take the CSR agenda of the company forward in the desired direction.
- The Board level committee and the designated nodal Officers team of officers together will steer the CSR agenda of the Organization.

7. Reflection of Corporate Social Responsibility Activities

The Corporate Social Responsibility activities will be reflected in the Annual Report and Accounts of NSIC and would also be hosted on the website of the Corporation.

8. Review and Reporting

The implementing organizations and the supervising agencies contracted by the NSIC, if any for Corporate Social Responsibility activities will submit progress reports on regular basis to the Corporation. At the end of the contract period, each organization would be required to submit a full project completion report, statement of accounts and utilization certificate within three months from the date of completion of the project duly certified by the auditors of NGOs or any firm of Chartered Accountants.