

KBK CHEM-ENGINEERING PRIVATE LIMITED

**POLICY ON
CORPORATE SOCIAL RESPONSIBILITY**

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Philosophy (Beyond Business) -

KBK-Chem Engineering Private Limited (hereinafter “the Company” or “KBK”) takes pride in being an organisation with a strong social conscience and upholds the principle of contributing to society through its various Corporate Social Responsibility activities. Conducting our business profitably and delivering good returns to our stakeholders is a part of our full agenda. At KBK, we believe that we are equally responsible to contribute to the society within which we operate and to positively impact the well being of the people and sections of the society that need intervention to better their prospects. We believe that development of the communities in which we operate will result in the empowerment of not just the people in these communities, but the nation at large. Our agenda is complete when we are able to share a part of our business proceeds with the communities within which we operate. We seek to benefit these communities through our Corporate Social Responsibility (CSR) activities that are focused on education, healthcare, employability training and other community development initiatives.

KBK is committed to Corporate Social Responsibility programs to positively impact communities which are connected within and around our business locations.

Definitions

- (a) “**Act**” means the Companies Act, 2013 read with Rules including the Companies (Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time.
- (b) “**Administrative Overheads**” means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for designing, implementation, monitoring, and evaluation of a particular CSR project or programme.
- (c) “**Agency**” means group of volunteers, citizen forums, elected local body, panchayats, institute, schools, hospitals, help centers, governments, government organizations, authorities, welfare board, labour union, care centers, medical aid centers, orphan houses, social activist, mahila mandals, society, individual and companies; who are involved in activities of benevolent, generous, social upliftment, wellbeing and development of deprived class of people or activities similar to CSR Activities, Non-Government organization, Charitable Trust, Foundation, forum and/or other organization or persons of repute, which are doing activities of; philanthropic, benevolent, charitable and for well-being of society at large and needy class of people; without motive of profit and having good track record of atleast three years and approved by the CSR Committee.
- (d) “**Board**” means Board of Directors of the Company for the time in force.
- (e) “**Company**” or “**KBK**” means KBK Chem-Engineering Private Limited.
- (f) “**Corporate Social Responsibility (CSR) activities/programmes**” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in these rules read with Schedule VII of the Act.
- (g) “**CSR Committee**” or “**Committee**” means “Corporate Social Responsibility Committee” of the Directors of the Company, as may be constituted by the Board and as may subsist from time to time.
- (h) “**CSR Team**” means committee comprising of Director, Finance Head/Chief Financial Officer, HR Head, and such other persons as may be nominated by the Board of Directors from time to time.

(j) **“CSR Activities & Programmes”** includes activities as described in this Policy, activities prescribed under the Schedule VII of the Act and/or any other permitted activities as may be prescribed under the Act.

(k) **“International Organisation”** means an organisation notified by the Central Government as an international organisation under Section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

(l) **“net profit”** means net profit as defined in Section 135 of the Act, read with the relevant rules issued under the Act.

(m) **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act

APPLICABILITY AND EFFECTIVE DATE OF THE POLICY

This CSR Policy has been developed in consonance to Section 135 of the Companies Act, 2013 and Rules notified thereunder. This Policy shall apply to all CSR Programmes undertaken by the Company in India.

The Board has approved the Policy in its meeting held on 9th February 2022.

Extent of CSR activities and CSR programmes

Area of CSR Activities

KBK’s Initiatives towards CSR and CSR Programmes would be relating to the activities as prescribed in Schedule VII to the Act. While the Company’s focus on CSR efforts will be in the local areas and areas around where it operates, the Company may also undertake projects where societal needs are high or in special situations such as in the case of natural disaster, epidemics etc.

Our approach to CSR Programmes and Thrust area

While focusing on CSR Activities as per Schedule VII of the Act, KBK intends to prefer to undertake CSR activities in the areas of education, healthcare, medical welfare, sanitation, rural development, child welfare, women empowerment, animal welfare, social welfare, environment protection, protection of national heritage, art and culture, promotion of sports, slum area development, disaster management etc.

CSR functionaries

CSR Team

CSR Team shall comprise of such persons as defined above and shall perform the following functions -.

- a) Identification of CSR Programmes around the project sites and / or as per societal needs.
- b) Review and recommend CSR Programmes to the CSR Committee.
- c) Monitoring, appraising and reporting to the CSR Committee.
- d) Any other tasks and functions as may be assigned by the CSR Committee.

CSR Committee and its terms of reference

The CSR Committee shall be constituted by the Board in accordance with Section 135 of the Act read with the relevant rules. The terms of reference of the CSR Committee includes the following.

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subject specified in Schedule VII of the Act.
- b) To approve the CSR projects recommended by CSR Team and recommend the amount of expenditure to be incurred thereon.
- c) To formulate and recommend to the Board, an annual action plan including, the list of CSR programmes proposed to be undertaken by the Company, the modalities of utilisation of CSR funds and implementation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact assessment for the projects undertaken by the Company.
- d) To review the Corporate Social Responsibility Policy of the Company from time to time.
- e) To monitor implementation of CSR projects or programmes or activities as approved by the Committee.
- f) To perform functions as may be necessary from time to time under the Act or as may be assigned to it by the Board from time to time in relation to the CSR activities.

The CSR Committee may regulate its own procedures and shall meet as and when required and also when the Board requests for the same. The Committee may seek attendance of Department Heads and obtain relevant data as it may deem necessary. The Committee may also take the experts' advice wherever they deem necessary in discharge of their duty.

The Committee shall meet at least once in a year as per Section 135 of the Act.

Role of Board of Directors

The functions of the Board relating to CSR of the Company includes constitution of CSR Committee, ensuring undertaking of CSR programmes as per policy whenever applicable, ensuring spending of the prescribed amount during a financial year and compliance with statutory disclosures & reporting and other matters as mentioned in this Policy and as per applicable provisions of the Act.

In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and can make modifications, if any, for smooth implementation of the project within the overall permissible timeline.

Implementation of CSR programmes

The CSR Activities of the Company shall be carried out as per this Policy read with Schedule VII of the Act. The Company will undertake the CSR Activities as recommended by the CSR Team and approved by the CSR Committee, in the manner and subject to such terms approved by the CSR Committee. The CSR programme may be carried either by the Company itself or through some eligible external agency.

In case the CSR Programme is to be undertaken through the external agency, modalities of utilization of funds, monitoring and reporting mechanism shall be as approved by the CSR Committee.

The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the applicable Rules.

Resources

The Company shall spend 2% of the average net profits of the Company during the immediately preceding three financial years towards the CSR Activities as may be recommended by the CSR Committee..

The surplus, if any arising out of the CSR Projects or Programs shall not form part of the business profit of the Company and shall be dealt with in accordance with the applicable provisions. Likewise, any excess amount spent on CSR activities may be set off against the requirement to spend in the succeeding 3 financial years. In the event the Company creates or acquires capital asset out of the CSR spend, such capital asset will be dealt with in terms of the applicable CSR provisions.

Monitoring, reporting and disclosure

CSR Programmes, activities and other aspects of this Policy shall be reviewed and monitored periodically by the CSR Committee as it thinks fit.

As and when the Company reaches an average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of Section 135 of the Act, in the three immediately preceding financial years, it shall undertake an impact assessment, through an independent agency, of its CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. Accordingly, the impact assessment reports, if applicable shall be placed before the Board and shall be annexed to the Annual Report on CSR.

The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect. Unspent CSR amount, if any, shall be dealt with by the Company as per the applicable CSR provisions.

Review and amendment(s) in the policy

Amendments from time to time to the CSR Policy, if any, shall be considered by the CSR Committee/Board of Directors. The CSR Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement for effective implementation of this Policy.

Sd/-
Vijendra Singh
Managing Director

Sd/-
Atul Chaturvedi
Director

Sd/-
Sunil Kadam
Director

Date: 9th February 2022