



KPC PROJECTS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY 2021

1. Short Title and Applicability: KPC Projects Limited CSR Policy has been prepared keeping in the mind the Company's business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called "the Act") and the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 notified by the Ministry of Corporate Affairs vide Notification dated 22nd January, 2021.

2. CSR Vision Statement and Objective

KPC Projects Limited which is a socially responsible company is committed to improving the lives of the communities in which it operates in a sustainable way. It aspires to be a responsible corporate citizen, by contributing to nation building through CSR Projects/Programs, in true letter and spirit.

3. Objectives of CSR Policy

The CSR Policy, formulated in alignment with the vision of the Company, will be implemented through a focussed approach towards target beneficiaries for generating maximum impact.

The Company may also collaborate with other companies for undertaking Projects or CSR activities.

4. Local Area

KPC Projects Limited is based in Prodattur, YSR Kadapa District in Andhra Pradesh and having its Corporate Office in Hyderabad in Telangana. It is executing various projects in different states of India. As mentioned in the Act, preference should be given to local area where the company has operations. However, KPC Projects Limited may take up CSR Activities/Projects at any location of their choice within the country.

5. CSR Budget

The CSR Budget will be allocated as per the provisions of the Act i.e. at least two percent of the average net profit calculated as per Section 198 of the Act read with the Companies (Corporate Social Responsibility) Rules there of (Average Net Profit) accrued during the three immediately preceding Financial Years.



The Board of the Company will endeavour to spend in each Financial year, at least two per cent of the average net profit on CSR Projects/Programs.

CSR Projects/Programs will be identified and budgets will be allocated through need assessment (where required) and clear outlining of desired outcomes.

In the event that the amount indicated above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per Section 134(3) (o) of the Act and also adopt any one option from the below mentioned as provided in the Act:

1. In case the projects is not an 'on-going' project:

a. Transfer such unspent amount to the below mentioned Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- Prime Minister's National Relief Fund
- Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund and
- Clean Ganga Fund

2. In case the project is or is to be considered as 'On-going Project':

a. Pass a Board Resolution to approve the project as 'on-going' if it has not been already identified as an ongoing project;

b. Open an 'Unspent CSR bank account' and transfer the amount which is unspent/unutilised on the approved CSR project within a period of 30 days from the end of the Financial Year

c. Ensure completion of the project within 3 years from the date on such transfer to the 'unspent CSR bank account' of the Company.

The company may also enter into partnerships with other companies, government to achieve a significant impact on the social projects.

6. Treatment of surplus

In the event that the Company makes any surplus or profit from pursuing its CSR Projects/Programs, these will not form part of the business profit and will be invested back into CSR Projects or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.



7. Focus Areas

The Company shall undertake CSR Projects/Programs that are aligned with areas listed in Schedule VII of the Act, within the geographical limits of India, for the benefit of marginalized, disadvantaged and underserved sections of the community and the environment.

The detailed list of CSR Projects should be within the scope of the following activities:

- i. Eradicating hunger, poverty and malnutrition, promoting health care, including preventive health care and sanitation, including contribution to the Swacch Bharat Kosh set -up by the Central Government for the promotion of 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, 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, including contribution to the Clean Ganga Fund set--up by the Central Government for rejuvenation of river Ganga;
- v. 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;
- 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;
- xi. Slum area development (Amendment Notification dated 6th August 2014).
- xii. Such other activities as may be specified under the Act or CSR Rules from time to time.



Board of Directors - The Board of Directors of the Company will be responsible for:

- Setting up the CSR Committee as per the Act;
- Approving the CSR policy and list of activities as formulated by the CSR Committee;
- Ensuring that in each financial year the Company spends at least 2% of the average net profit made during the three immediate preceding financial years;
- Ensuring that every financial year, funds committed by the Company for CSR Projects / Programs are utilized effectively, and regularly monitoring implementation;
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR Projects / Programs on the Company website; if any &
- Ensuring annual reporting of CSR Policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format, if required
- Reviewing and amending the Annual Action Plan, during the course of the financial year based on reasonable justification to that effect;

Chief Financial Officer (CFO): The CFO of the Company or the person responsible for Financial management affairs of the Company shall certify that the funds disbursed have been utilised for the purpose in the manner approved by the Board on a periodic basis.

CSR Committee - The CSR Committee will consist of all the directors on the Board of the Company.

The CSR Committee will be responsible for:

- Formulating the CSR Policy in compliance with the Act;
- Identifying Projects / Programs to be undertaken as per Schedule VII of the Act;
- Recommending to the Board the CSR expenditure to be incurred;
- Regularly monitoring the implementation of the CSR Policy;
- Identifying and engaging with partners such as NGOs, business partners etc. for effective implementation of the CSR Policy;
- Constituting a transparent monitoring mechanism to ensure implementation of the CSR Projects / Programs undertaken by the Company;
- Reporting to the Board on the progress of the various CSR Projects /Programs and spends on a regular basis; and
- Recommending to the Board, modifications to the CSR policy as and when required.

8. Formulating the Annual Action Plan



The CSR Committee shall, at the beginning of each financial year, submit an annual action plan to the Board detailing the list of CSR activities planned for that financial year, along with the proposed implementation schedules monitoring mechanism and if impact assessment is required to be undertaken in case of applicable projects. The CSR Committee will monitor the implementation of the CSR projects and recommend changes to the action plan during the year if so required and recommend such amended plan to the Board, along with sufficient justification for such changes

The CSR committee will submit an Action Plan to the Board. The plan encompasses the following components;

Section 1 - Summary

- a. CSR budget allocated
- b. CSR budget pending for allocation
- c. CSR budget utilized by implementation agencies

Section 2 - Detailed plan (covering allocation and utilization)

- a. List of approved projects
- b. Implementation mode and timelines
- c. Budget

Programmatic and Financial utilization status

9. Planning & Implementation

The Company's CSR Projects / Programs will, to the extent possible, include components such as:

- Clearly defined objectives developed out of existing societal needs or determined through baselines / studies / research, where considered necessary / feasible
- Identified sectors, geographies and target group / beneficiaries
- Milestones / Targets and timelines
- Specification of annual financial allocation
- Robust monitoring system
- Reporting framework and system

The mode of implementation of CSR programs will include a combination of direct implementation and through implementing agencies. The Company will select its implementing agencies after appropriate due diligence in accordance with applicable



laws.

The Company may use services of expert agencies, consultancy firms, international agencies as defined under the CSR Rules 2021, etc. wherever required for carrying out surveys, guidance on project design and implementation, impact assessment surveys, etc.

10. Monitoring & Reporting

A comprehensive monitoring framework shall be devised by the Company to ensure that all Projects / Programs are duly implemented as per the CSR Policy. The Company's CSR Committee shall monitor the approved projects. The monitoring and reporting mechanism will include program review, evaluation, documentation and reporting.

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