

# **KCC BUILDCON PRIVATE LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **BACKGROUND**

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII, as amended, the Board of Directors of the Company is required to:

- (i) Constitute a Corporate Social Responsibility (CSR) Committee of the Board, which will formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy along with the amount of CSR expenditure to be done by the Company, in pursuance of the CSR Policy and monitor the CSR activities of the Company from time to time.
- (ii) Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company during the three immediately preceding financial years, in pursuance of its CSR Policy.

### **PHILOSOPHY**

Corporate Social Responsibility (CSR) is a public-spirited cause that has been well introduced by the new Companies Act 2013. Through the CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit which resonates with the policy of the Company

### **FOCUS AREAS**

The Company, as a part of its CSR initiatives and in pursuance of the requirements of the Companies Act, 2013, proposes to engage and work mainly in the following focus areas:

- (a) ensuring environmental sustainability, ecological balance, animal welfare, conservation of natural resources
- (b) eradicating hunger, poverty and malnutrition
- (c) promoting education
- (d) such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by the Board from time to time, which are not expressly prohibited

### **OUR VISION**

1. The Company is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact on the society it belongs to.
2. The Company is committed towards improving the quality of lives of people in the communities in which it operates as society is an essential stakeholder and the purpose of its existence. The Company believes that giving it back to society through CSR activities is its moral responsibility.
3. The Company aims to fulfil the requirements laid down under the Companies Act, 2013 and act diligently to comply with all the Rules and Regulations on CSR.

### **APPLICABILITY OF THE POLICY**

1. The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the Act in this Policy) and in accordance with the CSR

Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India.

2. This Policy shall apply to all CSR initiatives and activities taken up at the various locations in India, preferably in the vicinity where the Company carries out its business operations and for the benefits of different segments of the society, specifically the deprived and under-privileged.

#### **OBJECTIVE OF THE CSR POLICY**

- To ensure that the Company is committed to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To take up programmes that benefit the communities in and around its work centers and over a period of time, results in enhancing the quality of life of the people in the area of its business operations.
- To generate community goodwill for the Company and help reinforce a positive and socially responsible image of Company as a good corporate citizen of the Country.

#### **CSR COMMITTEE COMPOSITION (Reconstituted):**

The Members of the CSR Committee shall be appointed by the Board of Directors of the Company, which must consist of at least two or more Directors. Accordingly, the constitution of CSR Committee formed by the Board is as follows:

<b>S. No.</b>	<b>Name of the Member</b>	<b>Designation</b>
1	Shiv Raj Kundu	Chairman
2	Vishwa Kundu	Member

The Company Secretary of the Company shall act as the Secretary to the Committee.

#### **MEETINGS:**

The Committee shall hold meetings as and when required in compliance of the applicable provisions of the Companies Act, 2013, to discuss various issues concerning the implementation of the CSR Policy of the Company. The Committee shall periodically review the implementation of the CSR Programmes and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

#### **ROLE OF CSR COMMITTEE:**

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 (as amended from time to time).
- b) To recommend the amount of expenditure to be incurred on the CSR activities in a financial year.
- c) To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d) Any other matter as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

## **RESPONSIBILITIES OF THE BOARD**

The Board shall:

- Constitute a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after considering the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose the reasons for not spending the CSR amount (wherever applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify the effect.
- Approve transfer of unspent CSR Amount, if any, in accordance with the law. The Accounts and Finance Team of the Company shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

## **IMPLEMENTATION IDENTIFICATION AND SELECTION OF PROGRAMMES**

The programmes would be identified as per the requirement in the community/villages/schools etc. Professional agencies may be engaged in conducting need based assessment in some programmes, wherever required.

## **PARTNERSHIPS TO IMPLEMENT THE PROGRAMMES**

Collaborative Partnerships may be formed with the NGOs, Government Agencies, Village Panchayats and other like-minded stakeholders. This would help widen the Company's search and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

## **CRITERIA FOR IDENTIFYING EXECUTING PARTNERS**

In case of CSR projects/programmes execution by NGOs/Voluntary organizations, the following minimum criteria is recommended:

1. The NGO / Agency must have approval from the Ministry of Corporate Affairs (MCA) to undertake CSR activities in India.
2. The NGO should be a registered public Trust or a Society having a duly executed Trust Deed / Memorandum of Association.
3. It should have registration Certificates under Section 12A, Section 80G, etc. of the Income Tax Act, 1961 and other applicable registrations.
4. It should have a Permanent Account Number (PAN).
5. Last 3 years audited statement of accounts.
6. The antecedents of the NGO / Agency are verifiable / subject to confirmation.
7. Should have a team of professional expertise and system to maintain Books of Accounts and to generate necessary Reports on the supported programmes.

Provided that in case of any amendment in the Act / the Rules specifying any criteria for implementing agencies, the same shall be applicable in addition to the above criteria (to the extent applicable).

Provided also that the CSR Committee may waive one or more of the above criteria on a case to case basis.

## **MONITORING AND EVALUATION MECHANISMS**

Monitoring and Evaluation Mechanisms include the following, one or more of which shall be implemented based on the size, quantum and tenure of the CSR programmes:

1. To ensure effective implementation of the CSR programmes undertaken at each workcenter, a monitoring mechanism will be put in place by the CSR Committee. The progress of CSR programmes under implementation at work center will be reported to the corporate office on a regular basis.
2. Feedback would also be obtained and documented from the beneficiaries and influential local leaders by the respective work centers about the programmes, as and when required.
3. Field visits would be conducted by the respective CSR teams to ensure the progress of the programmes at their work centers. The visits would be informed and surprised also.
4. Partners would be required to report narrative as well as financial updates on a quarterly/annual basis in the format mutually decided.
5. The Finance and Accounts Team of the Company in consultation with the CSR Committee would conduct audit of the CSR programmes as and when required. The Secretarial team would, from time to time, also guide the respective partners and CSR team of the Company on necessary compliances.
6. Impact Assessment, wherever applicable, would be conducted on a periodic basis, through CSR team and independent professional third parties, especially on the strategic and high value programmes.

The Board of Directors of the Company shall also monitor the CSR Programmes / Projects in such manner and on such periodicity as may be required by the Act / the Rules.

## **CSR ANNUAL ACTION PLAN (CAAP)**

The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism etc. The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

## **INFORMATION DISSEMINATION**

1. Appropriate documentation of the CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis .
2. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

## **POLICY REVIEW**

Further, the Board of Directors may revise/ amend this CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.

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