

KPT Industries Limited

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies
(Corporate Social Responsibility Policy) Rules, 2014

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“Bahujana hitaya, bahujana sukhaya”

“For the benefit of many, for the happiness of many”

- *Rigveda*

1. INTRODUCTION AND BACKGROUND:

KPT Industries Limited ('KPT' or 'the Company') is a voluntary adopter of Corporate Social Responsibility ('CSR') initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. The Company's focus has always been to contribute to the development of the society and environment, and to make our planet a better place for future generations.

2. OBJECTIVES:

KPT's CSR Policy intends to:-

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.
- Establish the governance mechanism and process – how the CSR budget and activities shall be approved, monitored and reported to the Board of Directors and other stakeholders.
- Specify and accordingly undertake activities as specified in Schedule VII of the Companies Act, 2013 (As amended from time to time) and the expenditure thereon.

3. CSR BUDGET:

Considering the social instinct and responsibility, KPT has decided to undertake CSR activities voluntary as and when excess funds are available for CSR budget.

The CSR budget to comprise of at least two percent of average net profits of the company made during the three immediately preceding financial years as per section 135(5) of the Companies Act, 2013 read with Rules made in this this behalf thereunder.

The CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities 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.

4. CSR IMPLEMENTATION AND REPORTING:

The CSR Committee will recommend projects which will be undertaken by KPT, to the Board. The said projects shall be approved by the CSR Committee and placed before the Board for its approval.

Any proposals for donations received by the Company during any time of the financial year shall be first approved by the CSR Committee and further recommended to the Board for its approval.

At the end of the financial year, it shall be the duty of the CSR Committee to report to the Board, pending amount of donations or any amounts yet to be disbursed.

5. CSR THROUGH COMPANY:

In future CSR projects/ programmes will be selected, finalized on the basis of following criteria's:

- Whether activity falls within the purview of Schedule VII of the Companies Act, 2013 and Rules made thereunder including its enactment/amendments thereof.
- Description of socio/economic and environmental benefits may get derived from the project.
- The community/group of people to get benefitted and their probable numbers.

6. FOCUS AREAS:

In accordance with the requirements under the Companies Act, 2013, KPT's CSR activities, amongst others, will focus on:

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- **EDUCATION:** Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects, monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.
- **RURAL DEVELOPMENT PROJECTS:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality and women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.

- **NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts.

7. UNDERTAKING CSR ACTIVITIES:

KPT will undertake its CSR activities, approved by the CSR Committee, through the Company or such other entity/organization as approved by the CSR Committee.

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.

8. LOCATION OF CSR EFFORTS:

The CSR committee will decide on the location for CSR activities.

9. COMPOSITION OF CSR COMMITTEE:

The CSR Committee consists of the following directors:

- Mr. Prakash Kulkarni
- Mr. Shishir Shirgaokar
- Mr. Dilip Kulkarni

10. RESPONSIBILITIES OF THE COMMITTEE:

- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.
- Recommending the amount of expenditure for the CSR activities, and
- Monitoring CSR activities from time to time.

11. MONITORING AND REVIEW MECHANISM:

Monitoring of the CSR projects is very crucial and needs to be done as a periodic activity. It shall be the duty of the CSR Committee to report to the Board any pending amounts of donations or donations yet to be disbursed during any financial year.

The status of each of the CSR activities will be monitored by the CSR Committee and the Committee shall prepare a status report on the same. The CSR Committee will place the status report before the KPT Board.

12. MANAGEMENT COMMITMENT:

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that work for everyone. This is the cornerstone of our CSR policy.

Our Corporate Social Responsibility policy conforms to the Corporate Social Responsibility spelt out by the Ministry of Corporate Affairs, Government of India.

Note:

Further any or all provisions of CSR Policy would be subject to revision/ amendment by the Board of Directors of the Company based upon recommendations of CSR Committee or else in accordance with the guidelines on the subject as may be issued from time to time.

Approved in the meeting of the Board of Director held on 10th August 2019.
