



## Corporate Social Responsibility Policy 2021

### 1. SHORT TITLE & APPLICABILITY

- i. This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the Community at large, is titled as the '**KEERTHI INDUSTRIES LIMITED (Keerthi) CSR POLICY**'.
- ii. This policy shall apply to all CSR initiatives and activities taken up at the various locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.
- iii. It has been prepared keeping in mind the company's business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, notified by the Ministry of Corporate Affairs vide Notification dated 22<sup>nd</sup> January 2021.

### 2. CSR VISION STATEMENT & OBJECTIVE

#### VISION

In alignment with vision of the company, Keerthi, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

#### OBJECTIVE

- i. Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- ii. To directly or indirectly take up programmes that benefit the communities in & around its Work Centre and results, over a period of time, in enhancing the quality of life, health and economic wellbeing of the local people.
- iii. To generate, through its CSR initiatives, a goodwill for Keerthi and help reinforce a positive & socially responsible image of Keerthi as a corporate entity.

### 3. RESOURCES

#### Funding & Resources

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, Keerthi will allocate 2% of the average Net Profit during the immediately preceding 3 years, as its Annual CSR Budget.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project 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.

Transfer of unspent CSR amount. - Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule VII of the Act.

### 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### Composition:

The Corporate Social Responsibility Committee shall consist of at least three Directors amongst whom one shall be an Independent Director.

#### Meetings:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would strive to hold at least one meetings in a financial year.

**Quorum:**

The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

**Sitting Fee:**

The Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors.

**Role of CSR Committee:**

The role of CSR Committee is:

- 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 of Section 135 of the Companies Act 2013.
- b. To recommend the amount of expenditure to be incurred on the specified activities in a financial year.
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. To recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities.
- e. To formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy.
- f. To recommend the Board to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect.
- g. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

**Role of Board of Directors:**

- a. The Board of Directors shall, after considering the recommendations made by the CSR committee, approve the CSR policy and the Annual CSR Action Plan of the company.
- b. The Board of Directors shall endeavor that the Company spends 2% of the average pretax net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.
- c. The Board of Directors of the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
- d. The Board shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency.
- e. The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.
- f. 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 shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- g. The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
- h. The Board shall ensure that the administrative overheads shall not exceed **five percent** of total CSR expenditure of the Company for the financial year.
- i. Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
  - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
  - (ii) the Board of the Company shall pass a resolution to that effect.

**5. ACTIVITIES, PLANNING & IMPLEMENTATION****Areas for Activities**

The Company shall identify projects / programmes which will fall in any one or more of the following areas /sectors for its CSR spending:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.



- ii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- iii. Rural development projects.
- iv. Disaster management, including relief, rehabilitation and reconstruction activities.
- v. Slum area development.
- vi. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- vii. 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.
- viii. 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.
- ix. 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 art and handicrafts.
- x. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- xi. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the Central Govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- xii. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.

The Company shall undertake the CSR projects or programs or activities as per the Company's CSR Policy at local areas and areas where the Company operate in India only.

### Officers for implementation

The Board of Directors shall identify CSR activities/projects and the Managing Director either by himself or delegate or appoint such officers of the Company for supervision, execution and implementation of the CSR projects.

### Implementing Agency

Keerthi can incur the CSR expenditure itself or through:

- i. **a company established under section 8** of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), **established by the company**, either singly or along with any other company, or
- ii. a company established under section 8 of the Act or a registered trust or a registered society, **established by the Central Government or State Government**; or
- iii. any entity established under an Act of Parliament or a State legislature; or
- iv. Companies established under Section 25 of the Companies Act, 1956 or under Section 8 of the Companies Act, 2013 or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961) having track record of undertaking such CSR activities/programmes;

## 6. EXCLUSIONS FROM CSR

Corporate Social Responsibility (CSR) means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in the CSR Rules, but shall not include the following, namely: -

- i. Activities undertaken in pursuance of normal course of business of the Company.
- ii. Any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.



- iii. Contribution of any amount directly or indirectly to any political party.
- iv. Activities benefitting employees of the Company.
- v. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- vi. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

**7. MONITORING AND EVALUATION**

- a. To ensure effective implementation of the CSR programmes undertaken at various locations, a monitoring and evaluation mechanism will be put in place.
- b. The progress of CSR programmes under implementation at various locations will be reported to the Registered Office on a periodical basis.
- c. The report on progress on the CSR programmes undertaken by the Company will be put forward to the CSR Committee with full details of cost incurred and results achieved on a regular basis.
- d. Appropriate documentation of the Company's CSR activities and expenditure statement will be place before the CSR committee and the Board.
- e. CSR initiatives of the Company will be reported in the Board's Report in compliance with Section 135 of the Act and rules made thereunder.

**8. IMPACT ASSESSMENT**

Please note that in case the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their 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.

*In our case, impact assessment is not required to be conducted.*

**9. CAPITAL ASSET**

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by -

- a. A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.
- b. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c. A public authority

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with this requirement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

**10. GENERAL**

In case of any doubt with regards to any provision of the policy and in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from the Government from time to time. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

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*Note-This is the Second amendment to the CSR policy and has been approved by the CSR Committee and the Board of Directors of the Company at their meeting held on 26<sup>th</sup> June, 2021.*