

# K.P. ENERGY LIMITED

## CORPORATE SOCIAL RESPONSIBILITY POLICY

“Making real our Commitments as a responsible Corporate Citizen”



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## 1. CORPORATE SOCIAL RESPONSIBILITY (CSR) – PHILOSOPHY:

Our business itself is pro-sustainability, which organically helps humankind to develop and scale-up renewable sources of energy in the fight against fossil fuel. Corporate Social Responsibility is imbibed deep in the organizational ethos of KP Energy, it is not just a function of the bottom line, but are our aspiration of improving lives and contributing to communities and ecosystem where we conduct our business.

K.P. Energy Limited (KPEL or the Company) is voluntarily following it since last many years before even the Companies Act mandates the Corporate Social Responsibility (CSR). KPEL believes the policy which is more and more beneficial to the society at large by promoting and encouraging economic, social and educational development and also giving active support to local initiatives around its area of operation thereby promoting upliftment of people in varied arenas of life and protection of flora and fauna and animal welfare which is inclusive part of the Environment Protection. KPEL has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally.

Pursuant to the Section 135 of the Companies Act, 2013 (hereinafter refer as “the Act”) read with the Companies (Corporate Social Responsibility Policy) Rule, 2014, the Company is required to adopt the CSR policy in the organization to add sense of responsibility and contribution among corporate which is expected to be beneficial to different class of people such as children, women, uneducated, unemployed etc. towards which such CSR activities may be focused.

The CSR Policy focus to contribute more and more to the social and economic development of the communities in which we operate. In doing so, the Company will build a better, sustainable way of life for the weaker sections of society and contribute to develop environment.

## 2. CSR VISION:

Rising by Lifting others and social upliftment through Integrated and Sustainable Development.

### 3. CONSTITUTION OF CSR COMMITTEE:

Keeping in line with section 135 of the Companies Act, 2013 and the rules thereunder (hereinafter referred to as 'the Act'), the Board of Directors of the Company shall form a Corporate Social Responsibility Committee (hereinafter referred to as the 'CSR Committee') headed by an independent director, to inter alia, carry out the following functions:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the Corporate Social Responsibility Policy of the company from time to time and implementation of framework of CSR Policy.
- To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.
- The CSR Committee shall arrange to provide all required inputs to undertake CSR activities and shall review all Social initiatives. The CSR committee shall update the Board of Directors on periodically.

### 4. DEFINITIONS:

In this Policy, unless the context otherwise requires:

1. "**Act**" shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
2. "**Agency**" (or Agencies) means any Section 8 Company or a registered trust/ society/NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/society/NGO/institution/ Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.
3. "**Approved Budget**" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
4. "**Board**" shall mean the Board of Directors of the Company.

5. **“Company”** shall mean K.P. Energy Limited(‘KPEL’) and wherever the context requires, shall signify the Company acting through its Board.
6. **“CSR Annual Plan”** shall mean the annual plan detailing the CSR expenditure for the year.
7. **“CSR Committee”** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.
8. **“CSR Expenditure”** means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee, including the following:
  - a. contribution to CSR Projects which shall be implemented and/or executed by the Company;
  - b. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by KP Human Development Foundation or any other Agency;
  - c. Any other contributions covered in areas or subjects specified under the Schedule VII to the Act.

Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR Expenditure.

9. **“CSR Officer”** shall mean the whole time person engaged by the Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.
10. **“CSR Policy”** shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
11. **“CSR Projects”** or **“Projects”** means Corporate Social Responsibility projects/activities/ programs/ initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.

Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

12. **“Financial Year”** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
13. **“KP Human Development Foundation”** means a company incorporated under section 8 of the Companies Act 2013 on March 20, 2015 and is a Group Company of KPEL.
14. **“Net profit”** shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.
15. **“Rules”** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

## 5. CSR OBJECTIVES AND PROJECTS:

### ➤ Education Promotion and Development:

- distribution of education kit to children taking first-time admissions in government schools
- developing smart classes, providing computers, printers, etc., to rural Schools for educational purpose of students
- rectification of boundary walls of the School, construction of classrooms, making available potable drinking water for students etc.
- Upgrading Infrastructure for Education

### ➤ Plantation Drive and Animal Welfare:

- Recognizing the value of our natural ecosystem and forest and carrying out mass tree plantation drives
- Endeavor to maintain flora and fauna
- Providing medical facilities to animals for their treatment

➤ **Common Infrastructure Development:**

- Constructing basic amenities in rural areas.
- providing infrastructure aids to communities that are otherwise extremely scarce of resources and Government aids.
- Building Pavements, all weather Roads strengthening existing roads.
- constructing cross drainages, bridges, and walkways to mitigate flood impacts.
- providing sanitation & water connections
- Participation in various Government program such as 'Sujlam Suflam Jal Abhiyan Yojna', 'Gramya Jal & Swachhta Abhiyan' etc.

➤ **Security, Safety, and Well-Being:**

- Providing Health Care facilities in rural area.
- Eradicating hunger and distribution of grains, food packets, vegetables, etcetera to deprived families
- Innovative and need based projects such distribution of pandemic safety kits
- Medical Education
- Drinking Water availability
- Empowering Women for better Livelihood
- Upgrading Infrastructure for primary Health and Hygiene Promotion
- Community Utility Infrastructure

➤ **Local Development via Employment & Enrolment:**

- Encouraging Vocational Skill Development and Entrepreneurial Initiative especially among locals
- Generating employment for rural people in projects
- Engaging local students in various programs such as mass plantation drives in surrounding areas etc.

**6. IDENTIFICATION OF CSR PROJECTS:**

- The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

- CSR Projects need to be identified and planned for approval of the CSR Committee, with estimated expenditure and phase wise implementation schedules.

## 7. IMPLEMENTATION OF CSR PROJECTS:

The Company shall implement the identified CSR Projects by the following means:

### ➤ Direct Method:

- I. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Policy;
- II. The Company may also implement the identified Projects presently through KP Human Development Foundation or any other NGO or Society which is involved in CSR activities, within the scope and ambit of the Policy;
- III. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
- IV. The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

### ➤ Indirect Method:

The Company may implement the identified CSR Projects through Agencies, subject to the condition that:

- I. The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided;
- II. The Agency has an established track record of at least three years in undertaking similar programs or projects.

The Company may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.



## 8. OBLIGATION UNDER CSR ACTIVITIES:

- I. The Company is mandatorily required to spend at least 2% of the average Net profit of 3 immediately preceding financial years on specified CSR activities.
- II. The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan.
- III. The CSR Committee shall ensure that the CSR Policy is displayed on the Company's website.
- IV. In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- V. The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website.

## 9. REVIEW PERIODICITY AND AMENDMENT:

CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit. The CSR Committee shall review the Policy every three years unless such revision is necessitated earlier. This policy shall remain in force unless modified by the Corporate Social Responsibility (CSR) Committee.

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