

K.P.I. GLOBAL INFRASTRUCTURE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY



INTRODUCTION:

Corporate Social Responsibility is not a new concept in India, however, the Ministry of Corporate Affairs, Government of India has notified the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") and other notifications related thereto which makes it mandatory (with effect from 1st April, 2014) for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility.

For our company social and environmental responsibility has always been at the forefront and as a result the Company consistently contributes towards the socially responsible activities. The Company has been contributing for social and environmental causes since last many years. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, customers and societies in which it operates.

We define Corporate Social Responsibility as the way a company balances its economic, social and environmental objectives while addressing stakeholder expectations and enhancing shareholder value.

CORPORATE SOCIAL RESPONSIBILITY:

The term "Corporate Social Responsibility ("CSR") can be referred as corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare.

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 Corporate Social Responsibility (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.

APPLICABILITY OF CORPORATE SOCIAL RESPONSIBILITY:

The companies on whom the provisions of the CSR shall be applicable are contained in Sub Section 1 of Section 135 of the Companies Act, 2013. As per the said section, the companies having Net worth of Rs. 500 crore or more; or Turnover of Rs. 1000 crore or more; or Net Profit of Rs. 5 crore or more during the immediately preceding financial year shall require to constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee").

The CSR Committee shall be comprised of 3 or more directors, out of which at least one director shall be an independent director.

The Board's report shall disclose the compositions of the CSR Committee.

All such companies shall spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

It has been clarified that the average net profits shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

REPORTING OF CSR IN BOARD'S REPORT:

Rule 8 of the CSR Rules provides that the companies, upon which the CSR Rules are applicable on or after 1st April, 2014 shall be required to incorporate in its Board's report an annual report on CSR containing the following particulars:

1. The composition of the CSR Committee;
2. Average net profit of the company for last three financial years;
3. Prescribed CSR Expenditure (2% of the amount of the net profit made during the three immediately preceding financial year);
4. Details of CSR Spent during the financial year;
5. In case the company has failed to spend the 2% of the average net profit of the last three financial years, reasons thereof;
6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy.

CSR ACTIVITIES:

CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.

The activities as specified in Schedule VII that can be undertaken by a company to fulfill its CSR obligations are mentioned below:

1. 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.
2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. 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.
4. 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.
5. 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;
6. measures for the benefit of armed forces veterans, war widows and their dependents;

7. training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
8. contribution to the prime minister's national relief 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;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects.
11. slum area development.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Company has re-constituted a Corporate Social Responsibility Committee of the Board pursuant to resolution of the Board of Directors dated **February 28, 2018**. The terms of powers, role and terms of reference of the Corporate Social Responsibility Committee are in accordance with Companies Act 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Corporate Social Responsibility Committee consists of the following directors:

SR. NO.	NAME OF THE MEMBERS	DESIGNATION
1	MOHAMED HANIF MOHAMED HABIB DALCHAWAL	CHAIRMAN
2	FARUKBHAI GULAMBHAI PATEL	MEMBER
3	BHADRABALA DHIMANT JOSHI	MEMBER

Company secretary of the company shall act as the Secretary of the CSR Committee.

ROLE OF CSR COMMITTEE:

The CSR Committee constituted in pursuance of Section 135 of the Companies Act, 2013 shall be required to carry out the following activities:

- a) 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 areas or subject, specified in Schedule VII;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

AMOUNT OF EXPENDITURE TO BE INCURRED ON THE CSR ACTIVITIES:

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with CSR Policy. Subject to Provisions of Section 135 of The Act, The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure. The Company will endeavour to spend the following amount for CSR activities in pursuance of this Policy:

“In every financial year, at least two per cent of the average net profit of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.”

- The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of 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 activity.

The CSR projects or programs or activities shall be undertaken within India and the Company may give preference to the local area and areas around it where it operates.

“Net profit” means the net profit of a company shall be calculated in accordance with the provisions of section 198 of the Act, but shall not include the following, namely:

- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

MODALITIES OF EXECUTION/IMPLEMENTATION:

The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through:

- (a) a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or along with any other company, or
- (b) 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 any entity established under an Act of Parliament or a State legislature:

If the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.

A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

MONITORING OF THE CSR POLICY:

The CSR Committee will periodically monitor the implementation of the projects/programs/activities under the CSR Policy and report the progress of CSR initiatives and activities to the Board on a periodic basis.

The CSR Committee shall also furnish a responsibility statement to the Board that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

ROLE OF THE BOARD:

The role and responsibility of the Board shall include:

- Approval of the CSR Policy after taking into account the recommendation of the CSR Committee and display the contents of the Policy on the company's website www.kpiglobal.kpgroup.co in the manner prescribed under the Companies Act, 2013.

- Reporting in the Board's report brief outline of the CSR Policy including overview of projects or programs proposed to be undertaken projects or programs, the composition of the CSR Committee, average net profit of the Company for the last 3 (three) financial years, Prescribed CSR Expenditure i.e. 2% of the amount of the net profit made during the three immediately preceding financial year as prescribed by the Companies Act, 2013 and the rules framed thereunder and Details of CSR Spent during the financial year.
- Ensure that the CSR projects/ programs/activities are undertaken and executed by the Company as per the CSR Policy and give reasons, in case the spend on CSR activities/projects/programs is less than 2(two) per cent of the average net profit of the last 3(three) financial years, in its Board report.

Management Commitment

Our Board of Directors, our Management and all of our employees subscribe to the philosophy and Objective. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy. Our Corporate Social Responsibility policy conforms to the Corporate Social Responsibility Voluntary Guidelines spelt out by the Ministry of Corporate Affairs.