

## **CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY OF K P L OIL MILLS PRIVATE LIMITED**

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## **1. INTRODUCTION:**

Corporate social responsibility is recent and an evolving concept for the business organizations in the country. It addresses the well-being of all the stakeholders of the society at large and sustaining the environment for future generations. With the recent development of corporate social responsibility provisions under the realms of Companies Act 2013, Indian companies are now expected to conduct their business in a socially responsible manner, there by taking care of people, planet and profit.

At K P L OIL MILLS PRIVATE LIMITED we never lose sight of our responsibility to the environment and society. Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably. We believes that no organization can make sustainable development without the patronage from the society. We believe that creation of large societal capital is as important as wealth creation for our shareholders. As a responsible human organization, we are committed towards the above objective and are keen on developing a sustainable business model to ensure and activate our future growth drivers. We have been contributing to the societal wealth creation for the last several years irrespective of any regulatory compulsions as a realization of our above belief. In line with the regulatory expectations, we are putting in place a formal policy as a guide towards our social commitment going forward.

## **2. DEFINITION AND INTERPRETATION**

1. "Board" means the Board of Directors of the Company.
2. "Company" means K P L Oil Mills Private Limited.
3. "CSR Activities" means such programs and projects as may be approved by the Board in terms of this CSR Policy.
4. "CSR Committee" means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.
5. "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014.
6. "CSR Expenditure" means the amount recommended by the CSR Committee/Board to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
7. "Administration overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular Corporate Social Responsibility project or programme;

8. "Net Profits" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include (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.
9. "Society" means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
10. "Trust" means a trust registered under the Indian Trusts Act, 1882 or any other applicable law in India. Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

### **3. VISION STATEMENT, OBJECTIVE AND APPLICABILITY**

- (i) The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, the Company proposes to adopt short, medium and long term CSR programs and initiatives.
- (ii) The objective of the CSR Policy ("Policy") is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the company relating to Corporate Social Responsibility ("CSR") within the meaning of section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the CSR Policy Rules 2014. ("Rules")
- (iii) The policy shall be applicable to all CSR activities of the company whether carried by it or through any implementation agency.

### **4. SCOPE & COVERAGE**

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

### **5. COMMITTEE COMPOSITION**

As per Companies (Amendment) Act, 2020 vide notification dated 28<sup>th</sup> September, 2020 Where the amount to be spent by a company under sub-section (5) of Section 135 of Companies Act, 2013, does not exceed fifty lakh rupees, the requirement under sub-section (1) of Section 135 of Companies Act, 2013 for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

In our case Company is obliged to spent 2.00% of Net profit (computed as per Section 198 of the Companies Act 2013) not exceeding fifty lakh rupees, constitution of the Corporate Social Responsibility Committee is not mandatory and thus the functions of such Committee be discharged by the Board of Directors of the company itself.

## **6. DUTIES & RESPONSIBILITIES OF BOARD**

- (i) Formulate CSR Policy and approve the same.
- (ii) Approve CSR activities/programs to be undertaken as specified in Schedule VII to the Companies Act, 2013 and appended to this Policy as Appendix - 1. Appendix 1 may be revised in line with any amendments/inclusions made to Schedule VII of the Companies Act, 2013.
- (iii) Approve the CSR Budget.
- (iv) Spend the allocated CSR amount on the CSR activities in accordance with the Act & the CSR Rules.
- (v) Ensuring that at least 2% of the average net profits of the Company made during the three immediately preceding financial years is being spent, in pursuance of its CSR Policy.
- (vi) Ensure that in spending the amount earmarked for CSR activities the company shall give preference to the local area and areas around which it operate.
- (vii) Ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the company for the financial year.
- (viii) Satisfy itself that the fund disbursed to entities for CSR activities have been utilized for the purpose and in the manner as approved by it.
- (ix) Ensure that 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 fund specified in Schedule VII, within a period of Six month of the expiry of the financial year.
- (x) In case of ongoing project, monitor its implementation, with reference to the approved timelines and year wise allocation and make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- (xi) Prepare an annual report of the CSR activities undertaken by the Company and review the same.
- (xii) Create transparent monitoring mechanism for implementation of CSR activities in India.
- (xiii) Ensure Directors' Report for FY 2022-23 onwards to include:
  - (a) Contents of the CSR Policy;
  - (b) An annual report on the CSR in the prescribed format sets out in Annexure I & Annexure II;
  - (c) Reasons for failure (if any) to spend required amount on CSR activities.
- (xiv) Monitoring the progress of the CSR activities from time to time.
- (xv) Ensure disclosure of the contents of the CSR Policy on the Website of the Company.
- (xvi) Company shall undertake the CSR activities directly. The Board may, in the future, decide to undertake and implement its CSR activities through a registered trust or registered society or a Section 8 company (Non-profit entity) established by the K P L OIL MILLS PRIVATE LIMITED Group. In case the trust, society or a Section 8 company is not established by the company or its holding or subsidiary or associate company, then such an entity will need to have a 3 years track record of undertaking similar projects or programmes.

## **7. CSR EXPENDITURE**

- (i) Budgetary allocation for the CSR activities in every financial year shall be at least 2% of the average net profit before tax of the company made during the three immediately preceding financial years. The "average net profits" shall be calculated in accordance with the provisions of section 198 of the Act or as may be revised from time to time by the Act.
- (ii) CSR Expenditure shall mean all expenditure incurred in respect of specific projects/ programs relating to the approved CSR activities.
- (iii) CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- (iv) CSR Expenditure shall not include Projects or programs or activities undertaken outside India.

- (v) Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy.
- (vi) Any amounts contributed directly or indirectly to any political party under Section 182 of the Act will not count towards CSR Expenditure or considered a part of CSR Activities.
- (vii) Any amounts expended while undertaking activities in pursuance of normal course of business of a Company will not form a part of CSR Expenditure.

## **8. CSR ACTIVITIES - PROJECTS**

- (i) Company shall promote CSR activities/Projects in the field of :
  - A. Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation and making available safe drinking water.
  - B. Promotion of Education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently-abled and livelihood enhancement projects; with special emphasis on the education of the girl child;
  - C. Environment: ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of quality of soil, air and water.
  - D. Rural sports: Training to promote rural sports, nationally recognized sports, and para-olympic sports and Olympic sports.
  - E. Promoting gender equality, empowering women, setting up homes and hotels for women and orphans, setting up homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (ii) Company may also undertake other CSR activities in line with Schedule VII and any other activities that will be specified from time to time by the Government/ Ministry of Corporate Affairs.
- (iii) The CSR activities shall be undertaken in locations within India. Company shall give preference to the local areas and the areas around which Company operates while considering the activities to be undertaken and spending the amount earmarked for CSR activities.

## **9. IMPLEMENTING CSR ACTIVITIES**

- (i) Company shall undertake the CSR activities directly and also through various implementing agencies such as, NGO's, non-profit organizations, etc. Such implementing agencies shall have an established track record as prescribed under the law.
- (ii) Some of the initiatives taken up will facilitate the involvement of company's employees as volunteers in ongoing projects and events, giving them an opportunity to engage in socially meaningful activities, thus, enabling them to realize their full potential and role as socially responsible citizens (Employee Volunteer Programs).
- (iii) The initiatives undertaken may be communicated to the employees through specific awareness campaigns, so as to enable maximum participation.
- (iv) Company may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that each companies are in a position to report separately on such CSR projects.
- (v) The following activities do not qualify as CSR Activities under the Companies Act, 2013:
  - (a) Projects or activities not falling within Schedule VII (Appendix 1);
  - (b) Activities undertaken in pursuance of normal course of business;
  - (c) Projects or programs or activities that benefit only the employees of K P L OIL MILLS PRIVATE LIMITED and their families
  - (d) Direct or indirect contribution to any political party.

## **10. MONITORING OF CSR ACTIVITIES**

Board of the company will be responsible for the monitoring of various CSR projects or programs undertaken by the company directly or indirectly. The Board shall ensure that;

- (i) Company undertakes the CSR activities as provided in the CSR policy.
- (ii) A transparent monitoring mechanism for ensuring effective implementation of projects/ programs/activities to be undertaken by the Company.
- (iii) The budget allocated for each of the project is utilized for the projects as per the approved plans.
- (iv) The objectives of CSR Policy are being met in an efficient and effective manner.
- (v) In the event any of the CSR Activities are undertaken through an Implementing Agency, the Implementation Group should obtain relevant information from the Implementing Agency and ensure that the progress on such CSR Activity is submitted to the Board on an annual basis in such manner as the Board may direct.
- (vi) Wherever projects/programs are undertaken in partnership with one or more organizations, the part of the project or program undertaken by the company shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners/implementing agency on an annual basis.

Company shall provide necessary resources and human capital for implementation and the effective monitoring of the CSR projects and programs as may be directed by the Board. The services of any external agencies or persons who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the company may also be made available for successful implementation and monitoring of the project.

## **11. CSR REPORTING**

The Board will be responsible to ensure that:

- (i) The report of the Board includes the annual report on CSR Activities of the Company as sets out in Annexure I & Annexure II to this CSR Policy and such other details as may be prescribed from time to time under the Act and the CSR Rules.;
- (ii) The contents of the latest and updated version of the CSR Policy is included in the report of the Board;
- (iii) The Board shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of the company, which statement shall form part of the Boards' Report.
- (iv) The contents of such policy are also made available on the website ([www.kplindia.com](http://www.kplindia.com)) of the Company as per the particulars specified in the Annexure I & Annexure II.
- (v) In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

## **12. WEBSITE DISPLAY**

Company shall display on its website ([www.kplindia.com](http://www.kplindia.com)) the contents of its CSR Policy and other information as may be required to be displayed.

## **13. REVIEW AND AUDIT**

The Board shall be apprised on the implementation of the CSR activities and the progress shall be monitored on a quarterly basis.

Company shall through its internal controls, monitoring and evaluation systems implement, assess, document and report the impact of its CSR activities/projects.

Records relating to the CSR activities and the CSR Expenditure shall be meticulously maintained. The Records shall be submitted for reporting and audit.

The financial audits of the implementing agencies shall also be done through periodic audits. In this regard, company may appoint independent external consultants for carrying out such audits.

#### **14. AMENDMENTS**

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

***For K P L Oil Mills Private Limited***

***Sd/-  
Joshu Anto  
(DIN: 01796957)  
Chairman***

***Sd/-  
Jose John  
(DIN: 01797056)  
Managing Director***

**CSR Activities Listed in**  
**Schedule VII of the Companies Act, 2013**

CSR shall focus on social, economic and environmental impact rather than mere output and outcome. Activities which are ad hoc and philanthropic in nature shall be avoided. Various activities that can be undertaken in general under CSR are outlined below:

1. Eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
2. Promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects ;
3. Promoting gender equality and 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 of quality of soil, air and water;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, and paraolympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled 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; and
10. Rural development projects.

***For K P L Oil Mills Private Limited***

***Sd/-***  
***Joshu Anto***  
***(DIN: 01796957)***  
***Chairman***

***Sd/-***  
***Jose John***  
***(DIN: 01797056)***  
***Managing Director***