

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction

Corporate Social Responsibility (CSR) as an activity is initiated with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. CSR policy functions as a guiding principle whereby CSR objectives and goals are well defined with specific mention of verticals where planned activities can be carried out in a project mode. The implementation plans are worked out with processes for built-in for monitoring and evaluation of the activities to ensure active compliance and governance with the spirit of the law, ethical standards, and prescribed norms.

2. CSR Guiding Principles

The CSR initiatives will be undertaken by taking into consideration the critical national, state level and community level gaps/needs in line with the Company's core CSR focus areas/themes. Here, the community is taken as the actual geographical where the need-based projects/programs shall be implemented.

Primarily, the Company shall prefer the areas in and around its business operations to execute the projects/programs to ensure effective and smooth implementation as well as monitoring of projects/programs.

The CSR projects/programs will be directed towards the underprivileged and marginalized sections of the community and thereby enabling socio-economic development. The activities will be undertaken in a project mode with processes in place for regular periodic monitoring, measuring the deliverables and ensuring long term impact and sustainability of the initiatives.

3. Areas for activities

The theme of the CSR activities is in pursuance of the activities listed in *Schedule VII* of Section 135 of Companies Act, 2013 and any amendment introduced thereto from time to time. The Company shall undertake its CSR programs/projects/activities/initiatives as per the list of items enumerated in Schedule VII as below:

- Promoting education, including special education and employment enhancing vocation skills and livelihood enhancement projects
- Promoting health care including preventive health care, hygiene and sanitation aspects.
- 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.
- Contribution to the national relief funds including PM CARES Fund/ Prime Minister's National Relief Fund during any sort of national distress situation or emergency situation or natural calamities, which is permissible as CSR expenditure.
- Rural development projects.
- Disaster management, including relief, rehabilitation and reconstruction activities.

The activities specified are aligned with the Schedule VII of the Companies Act, 2013 and CSR Rules, Notifications, Circulars issued thereunder.

4. CSR Budget

- i. KSH International's total budget for the CSR projects/programs will be recommended to the Board by the CSR Committee and the same shall be in accordance with applicable provisions of the Companies Act, 2013 and CSR Rules and any amendments as amended from time to time.
- ii. In line with the Companies Act read with the CSR Rules, KSH International will utilize 2% of the average net profit of immediately preceding 3 (three) years on CSR activities within the ambit of Section 135 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and Schedule VII of the Companies Act, 2013.
- iii. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

5. Unspent CSR Funds

The unspent CSR funds for FY (if any) shall be transferred to the separate account named as "Unspent Corporate Social Responsibility Account" opened with the scheduled bank within 30 days from the date of end of the financial year provided such funds are earmarked to Ongoing Projects. The funds earmarked for On-going projects whether approved by the Board at the beginning of the financial year or within a prescribed timeline; such funds shall also be transferred to the Unspent CSR Account. Further, the funds shall be utilized for succeeding 3 FY as enumerated in the CSR Rules and any amendments as amended from time to time. The unspent funds (if any) that are not pertaining to the Ongoing Projects, shall be transferred to a Fund specified in Schedule VII, within period of six months of the expiry of the financial year.

6. Constitution and Role of CSR Committee

The Corporate Social Responsibility Committee shall be constituted in accordance with Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 as amended from time to time.

The role of the CSR Committee is to:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the verticals of activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013 (the Act);
- (b) Recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the list of CSR projects or programs that are approved to be undertaken, the manner of execution of such projects or programs, the modalities of utilization of funds and implementation schedules for the projects or programs, monitoring and reporting mechanism for the projects or programs and details of need and impact assessment (if any) for the projects undertaken by the Company;
- (c) Recommend the amount of expenditure to be incurred on the activities;
- (d) Monitor the progress of the CSR activities of the company from time to time.

- (e) Recommend to the Board, an alteration in annual action plan of projects or programs, if any, in pursuance of the CSR policy.
- (f) Institute a transparent monitoring mechanism for implementation of the CSR activities and monitor the CSR policy from time to time; and such other functions as the Board may deem fit.
- (g) Any other matter as may be considered expedient in furtherance of and to comply with Corporate Social Responsibility Policy.
 - The CSR Committee will report to the Board of KSH International and the same would have 3 or more director out of which one director shall be independent, if any.
 - In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
 - The Company Secretary of KSH International shall act as Secretary of the Committee.
 - Quorum for the Committee meetings shall be atleast 2 Directors.
 - Proceedings of all meetings shall be minuted and signed by the Chairman of the CSR Committee and tabled at the subsequent Board and Committee meeting.
 - The CSR Committee has all the powers to terminate/discontinue or disengage association/support financial or otherwise with any project/program/initiative if it has come to light that the support is being misused or the funds are being diverted/or the project execution is opaque.

7. Implementation and project planning

- The implementation of the CSR activities will be done either by the Company itself or through implementing agencies whichever is feasible. The CSR programs/ projects shall be managed and administered by in-house CSR team.
- In case the program implementation is facilitated through implementing agencies, the Company will ensure the necessary compliances as laid down by MCA. While implementing projects/programs through implementing agencies, the projects will be implemented in partnership with implementing partners. The CSR projects shall be implemented either directly by itself or through-
 - a) 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
 - 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
 - c) any entity established under an Act of Parliament or a State legislature; or
 - d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of atleast three years in undertaking similar activities.

KSH International Limited

[Formerly known as KSH International Private Limited]



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- KSH International may also collaborate with other entities/corporates to implement its CSR projects/programs in a manner where the reporting of such CSR projects/programs shall be done independently.
- Endeavour shall be made giving employee's voluntary participation in the CSR activities.
- KSH International shall ensure that the CSR projects/programs are undertaken as per the guidelines issued by MCA and shall adhere to any changes/modifications/amendments w.r.t. CSR project execution, issued by MCA as amended from time to time.
- In-house CSR team shall be responsible for the implementation and monitoring of the activities and utilization of funds allotted.
- KSH International may also contribute to the Prime Minister's Relief Fund or any other Central/State Government scheme/fund as may be permissible based on the need and criticality subject to the recommendation and approval of the CSR Committee and the Board.

8. **Monitoring**

The CSR Committee will be responsible for monitoring CSR activities and report to the Board from time to time.

9. **Reporting**

The Company will report the CSR spent and project status in the format specified in the Companies Act 2013 and CSR Amendment Rules, 2021 and shall make necessary disclosure in the Annual Reports. The CSR Policy shall be disclosed on the Company's official website and shall be available for view any point in time.

10. **Contact Information**

All enquiries on CSR activities shall be made to below mentioned correspondence.

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