



KSE
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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. SHORT TITLE AND APPLICABILITY

A) *Short title & Applicability*

KSE Limited (hereinafter referred to in this policy as KSE) is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

This policy, titled as '*KSE – CSR Policy*' (hereinafter referred to as the Policy), incorporates the company's philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large.

This Policy 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) Rules, 2014 (hereinafter called as "the CSR Rules").

B) **CSR Vision Statement & Objectives**

Right from the beginning, KSE is dedicated for the general upliftment of the nearby localities of its operational Units, with special focus on the areas of promoting education, health, environment, social welfare and cultural development. KSE is contributing generously for philanthropic activities and to a number of others social activities. KSE is already running from year 2000 a Children Park and information centre, as part of CSR, with excellent facilities to the children, located in a lavish area of about one acre in the municipal area near the Corporate Office of KSE, which is open for the public free, having facility for children for reading, hand on experience on Computer, various playing and riding equipments with lots of fresh air and lush ambiance.

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

2. FUNDING AND ALLOCATION

In accordance with Section 135(5) of the the Act, KSE is committed to spend in every financial year at least 2% of its average net profits for the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Act. This will include the activities undertaken by KSE through any trusts/foundations formed in future by KSE specifically for this purpose.

3. GOVERNANCE MECHANISM

Our CSR Policy is governed by the Board of Directors of the Company. The Board has constituted a CSR Committee with four Directors to monitor the Policy and the programmes thereunder from time to time.

4. CSR COMMITTEE

- i. **Composition:** The Corporate Social Responsibility Committee (CSR Committee) shall consist of three or more directors, out of which at least one shall be an Independent Director.
- ii. **Role:** The Committee, referred above, shall
 - a. Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
 - b. Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
 - c. Be responsible for implementation and monitoring of CSR projects or programs or activities of the Company.
 - d. 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.
- iii. **Meetings:** The CSR Committee shall meet as and when deemed necessary.
- iv. **Sitting Fees:** The Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors.
- v. **Quorum:** Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.
- vi. **Attendance:** The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting.

5. LIST OF ACTIVITIES/PROJECTS

The Company shall undertake any of the following Activities/Projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”):

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water,
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. 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;
- v. 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;
- viii. Contribution to the Prime Minister’s National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- x. Rural development projects;
- xi. Slum area development.
Explanation — For the purposes of this item, the term ‘slum area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- xii. Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act as amended from time to time. (Collectively hereinafter referred to as “CSR Activities”)

The CSR Activities shall be undertaken only in India for the benefit of the public and not only for the employees of the Company and their family. Further, preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

6. IMPLEMENTATION OF CSR ACTIVITIES

- i. The Company may undertake CSR Activities through a registered trust or society or any company, established by the Company under Section 8 of the Act for such non-for-profit objectives.

Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.

- ii. The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the CSR Rules.
- iii. The scope of this policy will extend to activities as stated under Schedule VII of the Act, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose.
- iv. If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report.
- v. CSR programmes will be undertaken by various work centers i.e. Corporate office, units and other business places of the Company in India to the best possible extent within the defined ambit of the identified Project/ Program.
- vi. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

7. PROCEDURE FOR CSR ACTIVITIES

- i. Identification of programmes will be done by means of the following :
 - (a) Need identification Studies by the Senior Management/ professional institutions/agencies.
 - (b) Internal need assessment by cross-functional team at the local level.
 - (c) Receipt of proposals/requests from District Administration/local Government.
 - (d) Suggestions from the Board of Directors/senior management level.
- ii. The Committee shall recommend the Board suitable CSR Activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;

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- iii. The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
 - iv. The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.

8. MONITORING AND FEEDBACK

- a. To ensure effective implementation of the CSR programmes undertaken at each work centre, a monitoring mechanism will be put in place by the work centre head.
- b. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a monthly basis.
- c. Work centres will try to obtain feedback from beneficiaries about the programs implemented at the area.
- d. Appropriate documentation of the Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis
- e. CSR initiatives of the Company will be reported in the Board's Report and the Annual Return of the Company and displayed in the website of the Company, in compliance with Section 135 and rules made thereunder.

9. CSR REPORTING

- i. In the Report by Directors under section 134 of the Act, such particulars with regard to CSR activities in the prescribed format as given under CSR Rules shall be incorporated.
- ii. Such particulars as stated under the CSR Rules relating to CSR Policy and activities undertaken thereunder shall be displayed in the website of the Company.
- iii. Particulars to be included in the Annual Return in Form MGT-7 pursuant to the Companies (Management and Administration) Rules, 2014 read with Section 92 (1) of the Act, as follows:
 - a. Amount spent by the Company during the financial year in pursuance of its CSR Policy
 - b. The amount spent as a percentage of the average net profits of the Company made during the three immediately preceding financial years.

10. EXCLUSIONS

- i. The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company and activities undertaken outside India and activities not covered within Schedule VII of the Act.
- ii. The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.
- iii. 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.
- iv. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

11. GENERAL

- a. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation and decision of the Committee shall be final.
- b. 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 Government, from time to time.
- c. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.