



# **K I C METALIKS LIMITED**

## **CORPORATE SOCIAL RESPONSIBILTY POLICY**

## 1. PREFACE

K I C is committed to improve the lives of the society in which it operates. The Company believes in **“looking beyond business”** and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the Company’s responsibilities towards the community.

## 2. OBJECTIVE

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

## 3. SCOPE AND APPLICABILITY

This Policy shall be applicable to all CSR initiatives undertaken by the Company in pursuance of the requirements of Section 135 and Schedule VII of Companies Act, 2013 (‘The Act’) and the Companies (Corporate Social Responsibility Policy) Rules, 2014(‘The Rules’) (including any statutory modifications, amendments, or re-enactments of any of them for the time being in force).

## 4. DEFINITIONS

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 (including any statutory modifications or re-enactments thereof).

- a) **“Act”** means the Companies Act, 2013, including any statutory modification or re-enactment thereof.
- b) **“Administrative 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;
- c) **“Average Net Profit”** means profit calculated as per Section 198 of the Companies Act, 2013.
- d) **“Board”** means the Board of Directors of the Company.

- e) **“Board’s Report”** shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.
- f) **“Company”** means **K I C Metaliks Limited**.
- g) **“CSR”** means Corporate Social Responsibility.
- h) **“CSR Policy”** means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.
- i) **“CSR Rules”** means Companies (Corporate Social Responsibility) Rules, 2014.
- j) **“CSR Committee”** means the Committee of the Board constituted under Section 135 of the Act for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.
- k) **“CSR activities”** means the activities or projects or programmes as recommended by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas in accordance with the provisions of Section 135 read with Schedule VII of the Act and CSR Rules.
- l) **“Independent Director”** means a non-executive director of the Company within the meaning of Section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- m) **“Holding Company”** means a Company within the meaning of Section 2(46) of the Companies Act, 2013.
- n) **“Net profit”** means the net profit of the Company as per its financial statements prepared in accordance with the applicable provisions 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.

Provided that in case of a foreign Company covered under these rules, net profit means the net profit of such Company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

- o) “**SEBI**” means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992.
- p) “**Subsidiary Company**” means a Company within the meaning of Section 2(87) of the Companies Act, 2013.
- q) “**Ongoing Project**” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

## **5. CONSTITUTION OF THE CSR COMMITTEE**

Pursuant to Section 135 of the Act, the Board shall constitute the Corporate Social Responsibility (CSR) Committee. The members in the committee shall be appointed by the Board of K I C which shall consist of at least three or more Board Directors, out of which at least one director shall be an independent director.

The CSR committee shall hold at least one CSR Committee meeting in a financial year. It shall also decide the CSR programs and initiatives for each financial year and accordingly recommend the agenda to the Board of Directors.

The CSR agenda for the financial year shall indicate the activities to be undertaken for the financial year, and the expenditure to be incurred on the CSR programs and initiatives.

## **6. ROLE OF THE CSR COMMITTEE**

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy, an annual action plan consisting of list of approved projects or programs to be undertaken which shall indicate the activities to be undertaken by the Company 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.

## 7. CSR Thrust Areas

- Promoting Education:

The Company will aim at promoting education, including special education, among children, youth, adults, women, elderly and the persons with disabilities (PWDs).

- Skill training and livelihood enhancement:

The company's skill training initiatives will focus on enhancing the skills and capacities of individuals across various demographics, including children, youth, adults, women, the elderly, and PWDs from economically disadvantaged backgrounds. The goal is to empower them, providing access to opportunities for sustainable livelihoods and fostering overall growth.

- Promoting healthcare and sanitation:

The Company through its CSR projects believes in eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

- Environmental Sustainability:

Protecting environmental resources and ensuring adoption of environment-friendly practices is important to ensure sustainable and self-sustaining local economies. The Company will focus on activities ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, tree plantation, conservation and management of natural resources and maintaining quality of soil, air and water, waste management, renewal energy, energy efficiency measures etc. Additionally, the Company may also undertake projects to manage its emissions and introduce environmentally friendly practices.

- Financial Literacy and Inclusion:

To address the financial and digital literacy gap in the society, the company may initiate financial and digital literacy programs/ projects designed to raise awareness and foster inclusion within marginalized communities.

- Others

From time to time, the Company may identify newer Thrust Areas to the above list, in so far as such activities are as defined in Schedule VII of the Act, as amended, from time to time.

The Company aims to actively promote diversity and inclusion in all its CSR initiatives.

Through these commitments, the Company strives to contribute to social equality and build a more inclusive and vibrant society.

The Company will strive to undertake the CSR projects in accordance with national priorities and/or regulatory guidelines.

## **8. BUDGETS AND EXPENDITURES**

The Board shall ensure that the 2% of average net profits from the immediately 3 preceding years is spent on CSR initiatives undertaken by the Company. The overall amount to be committed to CSR will be approved by the Board as recommended by the CSR committee through its Annual Action Plan carrying list of CSR projects or programs approved to be taken.

The following guiding principles to be adhered to in terms of CSR budget outlay and expenditure;

- The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative overheads.
- The Company shall spend up to 2% of the total CSR expenditure in one financial year or 50 lakh rupees, whichever is higher, on undertaking impact assessment for the applicable projects, as required by the law.
- Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company and will be ploughed back into the project in the current Financial Year or be allocated for an ongoing project to be spent in any of the three succeeding financial years or will be transferred to a fund specified in Schedule VII.
- Any excess expenditure, i.e., beyond the prescribed CSR budget may be made available for set off against the CSR requirement to spend in any of the three succeeding financial years and will be disclosed in the Board's CSR Report
- Any unspent amount shall be reported by the Board in its report specifying the reasons for not spending the amount and shall be dealt with in accordance with Section 135 of the Act and rules under amendments thereof.
- The Company may spend CSR amount for creation and acquisition of capital assets subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amended to the same.

## **9. MODALITIES OF EXECUTION AND IMPLEMENTATION**

- (i) The Board may decide to undertake its CSR activities as recommended by the CSR Committee through 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 at least three years in undertaking similar activities.
- e. A Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
- f. A Company may also collaborate with other Companies for undertaking projects or programmes or CSR activities in such manner that the CSR committees of respective Companies are in a position to report separately on such projects or programmes in accordance with these rules.
- g. The Board of a Company shall satisfy itself that the fund so disbursed have been utilised for the purposes and in manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- h. In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approval timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

## **9. MONITORING THE CSR POLICY**

The Company will regularly monitor the ongoing CSR projects to ensure that the outcomes intended are achieved as per timelines. Employees of the Company who form the CSR Implementation Secretariat, will obtain progress reports on periodic basis, undertake field visits and/or review to monitor the project progress as per the internal project implementation guidelines..

## **10. REPORTING**

- a. The Board's Report of a Company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.
- b. In case of a foreign Company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

- c. (i) Every Company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- (ii) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- (iii) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

- d. (a) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the **April 1, 2021**:

Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the **April 1, 2021**.

- (b) Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice
- (c) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.

#### **11. Guiding Principles on formulation of the Annual Action Plan to initiate CSR project:**

- a) The Company will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- b) The programs/ projects will be within the areas recommended / listed in the Schedule VII of the Act and mentioned in the Policy.
- c) The programs/ projects will be beyond business as usual.
- d) The programs/projects will be implemented within the country (with an exception if any as permitted by the CSR rules) and preferably in areas where the Company has its presence.
- e) Programs/Projects should not be exclusively for the benefit of employees of the company or their family members or those that are conducted /undertaken exclusively in pursuance of the normal course of business.

- f) The programs/ projects should exclude activities that are to be supported on sponsorship basis for deriving marketing benefits for its products or services.
- g) The programs/ projects should exclude activities carried out for fulfilment of any statutory obligations under any law in force in India.
- h) In review of existing 'ongoing' projects as defined under the CSR Amendments and its progress against the approved timelines for those projects.
- i) In review of excessive amount approved by the Board for setting off against the budget of any financial year as eligible under the Act and its amendments.
- j) In review of any unspent amount from preceding FYs as aggregated in Unspent Corporate Social Responsibility Account.
- k) Any surplus, generated out of the CSR activities of the Company, will be ploughed back to the CSR Initiatives of the Company and Unspent amount (if any) from CSR program/project will be incurred/transferred in accordance with CSR rules of the Act and amendments thereof

## **1. AMENDMENTS**

Amendments from time to time to the CSR Policy, if any, shall be considered by the Board of Directors of the Company, based on the recommendations of the CSR Committee. This Policy has been made as per the provisions of the Companies Act, 2013 and the Rules made thereunder ('Applicable law'). Any amendments in the Applicable Law, including any clarifications/ circulars of relevant regulator, if mandatory, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous applicable law at the time of its implementation.