

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

Corporate Social Responsibility (CSR) is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. It is the responsibility of NKC Projects Private Limited (“NKC” or “Company”) to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

The Company’s CSR Policy is formulated in accordance with the provisions of Section 135 of the Companies Act 2013 (‘Act’) and the Companies (Corporate Social Responsibility) Rules, 2014 (‘CSR Rules’) (as amended from time to time) for the benefit of the community. As a responsible corporate citizen, the CSR policy of NKC recognizes that its business activities have wide impact on the society in which it operates, and aims to contribute towards sustainable development of the society and environment to make planet a better place for future generations

### **CSR VISION**

The Company’s CSR philosophy is **“Do Good to do Well and Do Well to do Good.”**

The vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioral practices which will contribute to the economic and sustainable development within the company, industry, and society at large. At NKC, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

#### **Composition:**

The Corporate Social Responsibility (CSR) Committee shall consist of any two Directors.

#### **Meetings:**

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

#### **Quorum:**

The quorum for a meeting of the Committee on CSR shall be two members.

#### **Functions of CSR Committee:**

- To formulate and recommend to the Board, a CSR Policy which shall indicate the projects/ activities to be undertaken by the company in areas or subject, as specified in Schedule VII to the Companies Act 2013.
- To recommend the amount of expenditure to be incurred on the CSR projects/activities undertaken in a financial year.
- To recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities.
- To formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy.
- Submit an annual report of CSR projects/activities to the Board.
- To monitor the CSR Policy of the company from time to time.
- 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.

## **CSR ACTIVITIES**

The CSR activities, projects and programmes that will be undertaken by the Company shall be those as may be approved by the CSR Committee. The committee shall approve the undertaking of such activities, projects and programs as are covered under the following areas set out in Schedule VII of the Companies Act, 2013:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of 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 centres 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (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 art and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the Central Govt. for socio-economic development and relief and welfare of the Scheduled Castes, Schedule Tribes, other backward classes, minorities and women;
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.  
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) Rural development projects.
- (xi) Slum area development.
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of the Act.

### **Exclusions**

Corporate Social Responsibility (CSR) means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in the CSR Rules, but shall not include the following, namely: -

- (i) activities undertaken in pursuance of normal course of business of the Company;
- (ii) any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to political party under Section 182 of the Act;
- (iv) activities benefitting employees of the Company.
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- (vi) activities carried out for fulfilment of other statutory obligations under any law in force in India.

### **FOCUS AREAS**

While the company may undertake CSR activities in any areas listed above, the focus areas of CSR activities shall be on the following aspects:

- (i) Healthcare services
- (ii) Environment conservation
- (iii) Education
- (iv) Rural Transformation
- (v) Safe Drinking Water
- (vi) Public welfare

### **CSR FUNDING & ALLOCATION**

The company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- a) Atleast 2% of its average net profits made during the three immediately preceding financial years;
- b) Any surplus arising out of the CSR activities shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

“Administrative Overheads” means the expenses incurred by the Company for ‘General Management & Administration’ of the 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.

The Company shall give preference to the local area and areas around which it operates, for spending the amounts earmarked for CSR activities.

The Annual CSR Budget shall be spent on projects / activities as laid down in this Policy. All the expenditure relating to CSR shall be approved by the CSR Committee.

**Transfer of unspent CSR amount** - Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule VII of the Act.

## **MONITORING & EVALUATION**

Pursuant to provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, (including any modification and re-enactment thereof), the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee, which shall recommend the CSR activities to be undertaken by the Company, recommend the amount of expenditure to be incurred on the aforesaid activities, monitor the CSR policy of the Company from time to time, approve annual report on Corporate Social Responsibility initiatives for inclusion in the Board's Report and to perform such functions as may be required under the Act.

### **Monitoring Process**

The implementation of the CSR policy and execution of projects, programmes and activities undertaken by the Company shall be carried out under the overall superintendence, control and guidance of the CSR Committee. The CSR Committee shall closely monitor such activities and may also further constitute internal monitoring groups and/or sub-committees for different projects, programmes and activities, as may be required from time to time.

## **CSR IMPLEMENTATION**

The Board shall ensure that the CSR activities are undertaken by the Company 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, 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.

Every entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing Form CSR-1 electronically with the Registrar.

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.

A company may also collaborate with other companies for undertaking projects or programmes 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 programmes in accordance with these rules.

### **Annual Action Plan**

The CSR Committee shall formulate and recommend to the Board, an annual action plan which shall include the following:

- (a) the list of CSR projects or programmes that are approved by the company and to be undertaken in areas or subjects specified in Schedule VII to the Act;

- (b) the manner of execution of such projects or programmes;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

The Board of Directors are empowered to alter the annual action plan at any time during the financial year, as per the recommendation of the CSR Committee.

### **IMPACT ASSESSMENT**

In case of the Company having average CSR obligation of Rs. 10 Crore or more in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study, in pursuance of sub-section (5) of Section 135 of the Act.

The Impact Assessment Reports, if any shall be placed before the Board and shall be annexed to the Annual Report on CSR.

If the Company undertakes impact assessment, it may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or Rs.50 lakh rupees, whichever is less.

### **Capital Asset**

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –

- a) A company established under Section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.
- b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) A public authority

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with this requirement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

### **General Information:**

- 1) 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 the Government from time to time.
- 2) The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

***Note- This policy has been approved by the Board of Directors of the Company at their meeting held on 21<sup>st</sup> April, 2022.***