

KILBURN ENGINEERING LTD.

***CORPORATE SOCIAL
RESPONSIBILITY POLICY***



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PREAMBLE

India is one of the largest growing economies in the world. However, it continues to be deluged with various problems and challenges of poverty, health hazards, environmental degradation, illiteracy, poor educational standards, inadequate infrastructure, power crisis gender bias and the largest number of undernourished children as well as uneven distribution of wealth which many believe, is the root cause of social unrest.

The concept and need for Corporate Social Responsibility (CSR) has gained prominence from all avenues. The Government as well as regulators has framed various guidelines pertaining to responsibilities of business as well as the mandatory Corporate Social Responsibility provisions under the Companies Act, 2013.

This approach also reaffirms the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

Kilburn Engineering Ltd. (KEL), believes that in alignment with its the vision, KEL through its CSR initiatives will continue to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons.

SHORT TITLE & APPLICABILITY

This policy, which encompasses KEL's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is termed as the "**KEL CSR Policy**". This policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of KEL.

CSR VISION STATEMENT

In alignment with the vision of the Company, KEL, through its CSR initiatives, strives to create value in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community.

OBJECTIVE

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for KEL to undertake and fulfil its corporate social responsibility. The Policy will function as a built-in, self regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee shall consist of three or more Directors amongst which one shall be an Independent Director.

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

The CSR Committee shall:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by KEL as specified in Schedule VII of the Companies Act 2013 (the Act);
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- (c) Monitor the Corporate Social Responsibility Policy of KEL from time to time.
- (d) Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of KEL.

CSR ACTIVITIES

KEL shall identify any one or more of the following areas for its CSR activities:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promotion of 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;
- 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;
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- 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;

- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects.
- Slum area development.
- Such other activities as the Board may consider to be appropriate

Preference shall be given to local area and areas around KEL's working locations for spending the amount earmarked for CSR.

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for KEL and disclose its contents in their report and also publish the details on KEL's website, if any, in such manner laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board of Directors shall ensure that KEL spends at least 2% of the average net profits of KEL made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

The Board of Directors may decide to undertake its CSR activities recommended by the CSR Committee, through a registered Trust or a registered society or any other institution.

KEL may also collaborate with other Companies for undertaking projects or programs for CSR activities in such a manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programmes.

CSR EXPENDITURE **KELBURN ENGINEERING LTD.**

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, KEL will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down as under mentioned.

CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

Any unspent/ unutilised CSR allocation of a particular year, will be carried forward to the following year, that is, the CSE Budget will be non-lapsable in nature.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity with the CSR Policy.

EXCLUSIONS

The CSR activities shall be undertaken by KEL, (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

Any Contribution of any amount directly or indirectly to any political party under section 182 of the Act, by KEL shall not be considered as CSR activity.

The CSR projects or programs or activities that benefit only the employees of KEL and their families shall not be considered as CSR activities in accordance with section 135 of the Act. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of KEL.

IMPLEMENTATION

CSR programmes will be undertaken by various work centres/locations of KEL to the best possible extent within the defined ambit of the identified Project/ Program.

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.

By and large, it may be ensured that the CSR programmes shall be executed in and around the areas adjoining Company's workplace and factories/ Project sites/ work centres.

POWERS FOR APPROVAL

CSR programmes as may be identified by each work centre/corporate office will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.

MONITORING AND FEEDBACK

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. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a monthly/quarterly basis.

The CSR Committee at the corporate office will conduct *impact studies* on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes.

Work centres and locations will also try to obtain feedback from beneficiaries about the programmes.

Appropriate documentation of KEL's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.

CSR initiatives of KEL will be reported in the Annual Report of KEL & the Board's Report in compliance with Section 135 and rules made thereunder.

GENERAL

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 & decision of the Committee shall be final.

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.

KEL reserves the right to modify, add, or amend any of these Policy Rules/Guidelines.