



KALPA-TARU[®]

Corporate Social Responsibility policy (CSR)

(This document intends to lay down framework for CSR activities at KPTL in accordance with regulatory and legislative requirement prescribed under the Companies Act, 2013)

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1. PHILOSOPHY OF CSR

The world is facing numerous challenges ranging from poverty, malnutrition, environmental degradation, poor healthcare and climate change, inter alia. The social responsibility policy focuses on using the capabilities of business to improve lives and contribute to sustainable living, through contributions to local communities and society at large.

2. OBJECTIVE

The objective of the company's CSR policy is to lay down guiding principles for proper functioning of CSR activities to attain sustainable development of the society around the area of operations of the Company.

3. BACKGROUND OF CSR

Kalpataru Power Transmission Limited (KTPL) is a public limited company. KPTL is one of the largest and fastest growing specialized EPC companies in India engaged in power transmission & distribution, oil & gas pipeline, railways, infrastructure development, civil contracting and warehousing & logistics business with a strong international presence in power transmission & distribution. The company is currently executing several projects in India, Africa, Middle East, Australia, North America, Eastern Europe, Central Asia and Far East.

The company has been engaged in the CSR related activities for more than two decades and has contributed generously in the areas like health-care, education, safe drinking water, food distribution, women empowerment etc. The company has its own registered trust in the name of Kalpataru Welfare Trust.

Kalpataru Seva Kendra, a unit of Kalpataru Welfare Trust, provides multi-specialty medical facility with ultra- modern facilities, consultancy and routine health check-up facilities at nominal rates with medicines. Over 125 patients from surrounding villages of Gandhinagar takes benefit of this facility on daily basis.

4. DEFINITIONS

- a) "Act" means the Companies Act, 2013 and rules made thereunder (as amended from time to time and prevalent on date),
- b) "Corporate Social Responsibility" means and includes:-
 - (i) Projects or Programs relating to activities specified in Schedule VII of the Act, or
 - (ii) Projects or Programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendation by the CSR Committee of the Board as per the declared CSR Policy of the Company subject to condition that such policy shall cover subject enumerated in Schedule VII of the Act.

5. NEED FOR THE CSR POLICY

Ministry of Corporate Affairs, Government of India has notified Section 135 being provision relating to CSR with effect from 1st April, 2014 and also notified rules namely the Companies (Corporate Social Responsibility Policy) Rules, 2014 which came into effect from the said date. The provisions relating to CSR is required to be complied with by the company which has a net worth of INR 500 Crores or more or Turnover of INR 1,000 Crores or more or net profit of INR 5 Crores or more for the year ended 31st March, 2014. Such Company fulfilling any one of the tests, shall spend atleast 2% of the “average net profit” made during 3 immediately preceding financial year as per CSR Policy. Net Profit means net profit of the company less profit arising from any overseas branch(s) whether operated as a separate company or otherwise and dividend received from other companies in India which are covered & complying with sec. 135 of Companies Act.

While KPTL has always been at forefront of Voluntary CSR, the recent amendments to companies Act has made it imperative to institutionalize the CSR activities. In this context, the company has constituted the CSR committee of its directors who have recommended the CSR Policy to the Board of Directors and the Board of Directors have approved the CSR Policy at its meeting held on 10th November, 2014. The first amendment to the CSR Policy was approved by the Board of Directors at its meeting held on 30th July, 2019.

6. AREAS OF OPERATION

KPTL has manufacturing units in the State of Gujarat and Chhattisgarh, power generation plant in Rajasthan and doing transmission line installation work throughout India. It is proposed to carry out CSR activities in the State of Gujarat, Chhattisgarh, and Rajasthan and in areas surrounding the project sites in various States.

The areas of operation shall generally be Ahmedabad District in the State of Gujarat and Raipur in the State of Chhattisgarh. However, other areas may also be covered if the CSR committee thinks the same appropriate.

7. AREAS OF CSR ACTIVITIES

The Company proposes to carry out the CSR activities in the following areas subject to the approval of the Board / CSR committee from the time to time and subject to allocation of budget and programme / project to be approved by the Board / CSR Committee:

- (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;

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- (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, agro-forestry, 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 natural 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 windows and their dependents.
- (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- (viii) Contribution of 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) Contributions or funds provided by technology incubators located within academic institutions which are approved by central Government;
- (x) Rural development projects.
- (xi) Slum Area Development.

The CSR Committee shall ensure that the CSR contributions made are in line with the Companies Act, 2013 and other KPTL policies.

What is not CSR

Following activities will not be considered as CSR Activities:

- (i) Activities carried out in pursuance of normal course of business of a Company
- (ii) Activities which is carried out solely for the benefit of the employees or their relatives,
- (iii) Contribution of any amount directly or indirectly to any political party under the provisions of the Companies Act, 2013.

8. CARRYING OUT OF CSR ACTIVITIES

The areas in which CSR activities to be carried out by the Company as enumerated in the policy, can be carried out by the Company directly or through Kalpataru Welfare Trust or through any registered Trust or registered society or a company established by the company, its holding or subsidiary or associates company under section 8 of the Act or any specified agencies nominated by the CSR Committee from time to time and as any other mode allowed under the Act. The same can be decided by the Committee from time to time.

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If such trust, society or company is not established by the Company or its holding, subsidiary or associate company, it shall have an established track record of atleast three years in undertaking similar programs or projects.

A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee or respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

It may be noted that KPTL is allowed to build CSR capabilities of its own personnel or implementing agency personnel by spending up to 5% of CSR provision on this account per FY.

9. DUE DILIGENCE

The Company Secretary shall be responsible for ensuring that a detailed due diligence is conducted on any individual / entity to whom the contributions are being made. Such due diligence shall be conducted by the Company Secretary as outlined in KPTL policies

10. ALLOCATION OF FUNDS

KPTL shall allocate funds to the tune of at least 2% of the average net profits of the company during the immediately preceding three financial years towards the CSR activities as mentioned above. The CSR committee will spend the funds for each / any of the programme or project or activities as recommended by the CSR Committee and approved by the Board.

It is proposed that the Company spends the available funds into two kinds of projects or programmes - one is the long term multiyear and the second is medium to short term projects or programme. The CSR Committee to spend at least 60% funds on long term multiyear projects or programmes and balance amount should be spend on the projects or programmes with short term objectives. For meeting the requirements arising out of immediate and urgent situations with regard to formulated CSR Projects / Programs, the Chairman or Managing Director is authorized to approve such proposals in terms of the empowerment accorded to him by the CSR Committee.

11. MONITORING OF PROJECT AND FUND UTILISATION

The CSR committee to meet every quarter and monitor the implementation of project / programme / activity as decided by the CSR Committee and approved by the Board from time to time and also to adhere to the timeline and budget for various project / programme / activity.

12. ARRANGEMENT FOR CARRYING OUT CSR ACTIVITIES

The primary responsibility for carrying out the CSR activities is on the CSR Committee of Directors constituted by the Board of Directors of the company. The committee members can however take the support and help of the other employees of the company as per the

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requirements. The committee may constitute small groups from the employees of different sections for carrying out CSR related activities under its supervision.

If required a local man may be included as a co-coordinator or as a link man to achieve the target as well as ensuring participation of local representatives in formulating activities to obtain maximum benefit for the community.

On a need to basis, close co-ordination shall also be done with Central/ State/ Local Governments/ NGOs etc. to synergize CSR activities with their development programmes. All CSR contributions shall be pre-approved by the CSR Committee and in case any red flags are identified basis due diligence conducted, the proposal shall be sent for consultation to Anti Bribery Management System (ABMS) committee.

All the CSR activities shall be monitored by the CSR committee on quarterly basis, review discussions shall be held among the committee members and other participants and suggestions for further improvements be discussed in detail. Feedback shall be obtained from local area representatives about the benefits of such activities and/or their suggestions to ensure that the benefits of such activities reach the local community.

It will be pertinent to highlight that any surplus arising out of the CSR projects or programs or activities shall not form part of business profit of company.

13. DISCLOSURE IN THE REPORT OF BOARD OF DIRECTORS AND DISPLAY ON COMPANY WEBSITE

As required by the provisions of the Companies Act and Rules made thereunder, required particulars of the CSR activities be displayed on the website of the company and also and be disclosed in the Report of the Board of Directors of the company. The CSR Committee shall forward a report to the Board on an annual basis containing following particulars:

- (i) Average Net Profit of the Company for last three financial years;
- (ii) Prescribed CSR Expenditure;
- (iii) Details of CSR Spent during the financial year:
 - 1) Total amount to be spent for the financial year
 - 2) Amount unspent, if any,
 - 3) Manner in which the amount spent during the financial year as detailed in Annexure – A
- (iv) In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its report

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- (v) A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

14. POLICY DOCUMENTS TO BE REFERRED FOR IMPLEMENTATION OF CSR ACTIVITIES

- (a) CSR policy of Kalpataru Power Transmission Limited
- (b) Provisions of Companies Act, 2013 relating to CSR and Companies (CSR) Rules, 2014.
- (c) Any subsequent notification / circular / amendments / modification / revision / addendum to the aforesaid acts and rules issued by the Ministry of Corporate Affairs, Government of India.

15. GENERAL

- (a) The company reserves the right to modify, cancel, add or amend any of the above rules / guidelines within the broad parameters of the provisions of Companies Act, 2013 and Companies (CSR) Rules, 2014.
- (b) In case of any doubt with regard to any of the provisions of the policy and also in respect of any matters not covered therein, the interpretation and decision of the Chairman of the Board shall be final.

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Annexure A

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2)specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: (1)Direct expenditure on projects or programs (2)Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency (*)
1							
2							
3							
	TOTAL						

** Details of implementing agency to be provided*

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Annexure B

This approval form must be completed and approved prior to offering or giving any Contribution on behalf of the Company to any organization.

Please direct any questions that you may have regarding this form to the Company Secretary and BU Head (who forms part of the ABMS committee).

Section A: Information about the Contribution

1. Describe the Contribution, including the name of the Recipient, the cost to the Company, and the relationship between the Company and the Contribution recipient.
2. Describe how the proposed Contribution arose and whether any person or party outside of the Company requested the Contribution (the “Requestor”) and the relationship between the Company and the Requestor.
3. Has the Contribution recipient submitted a written request or other document containing (i) information about the Recipient, (ii) a description of the type of Contribution requested, and (iii) an explanation of what the Contribution will be used for?

Yes No

If yes, attach the written request or other document to this form.

If No, ask Contribution recipient to submit such a written request or other document. A failure to provide such written documentation may result in the Contribution not being approved.

4. Has any due diligence been conducted on Recipient and Requestor (if any) in the past?

Yes No

If yes, attach a copy of all prior due diligence documentation.

5. Please attach a copy of Recipient’s license, government authorization, or other documentation evidencing that it is a legitimate organization.

6. Does the Company have a prior relationship with Recipient or Requestor?

Yes No

If yes, describe relationship and list any prior Contributions, including dates, made by the Company.

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7. List the people who have communicated with the Company concerning the requested Contribution, including any Requestor, and indicate whether each is an external stakeholder.¹

Name	Position/Title	Government Official (Yes / No)

8. Is Contribution recipient a government entity, institution or agency?

Yes No

If yes, please describe.

9. Are any of the stakeholders, affiliated with the contribution recipient, related to a Government / Public Entity ² ? (stakeholders can be board members, in case of a body corporate contribution recipient; spouse / family member / other relative in case of an Individual contribution recipient) ?

Yes No

If yes, please explain.

10. Has anyone stated or implied that the Company will (i) suffer adverse governmental action if the requested Contribution is not made (including losing an opportunity to secure an approval, license or other discretionary act from a government organization or other institution in which a government has an interest), or (ii) receive some sort of benefit if the Contribution is made (such as receiving a government license or permit)?

Yes No

If yes, please describe.

11. Based on your investigation of this Recipient and Requestor (if any), do you have any reason to question whether some or all of the requested Contribution will be diverted for an improper purpose, such as to benefit a Public Official personally or may be part of an exchange of favors with a Public Official?

Yes No

¹ For purposes of this form, Government Official follows the definition provided in KPTL’s ABAC Policy.

² For purposes of this form, viii. Government/ Public Entity follows the definition provided in in KPTL’s ABAC Policy.

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If yes, please describe.

12. Does the Contribution comply with the KPTL ABAC Policy and all other applicable Company policies?

Yes No

If No, Contribution must not be made.

13. Is the Contribution appropriate and without any appearance of impropriety or any reputational risk to the Company (e.g., appearance of possible conflict of interest, improper inducement, favoritism, etc.)?

Yes No

If No, the Contribution must not be made.

After you have signed above, please have this form and the Contribution described herein approved by the Company Secretary and BU Head (who forms part of the ABMS Committee).

BU Head (who forms part of the ABMS Committee)

Name: _____ Title: _____

Signature: _____ Date: _____

Company Secretary

Name: _____ Title: _____

Signature: _____ Date: _____

Approval Number: _____

CONTRIBUTION IS: APPROVED REJECTED WITHDRAWN

Once the Company Secretary and BU Head (who forms part of the ABMS Committee) have approved this form, they will submit the proposal for approval to CSR Committee and thereafter, to the appropriate Finance function with responsibility for the payment approval process.