

# **Kanchanjunga**

**Power Company Private Limited**

Policy Number	PHG/HR/E13A
Effective Date	29-05-2023
Date of Release	29-05-2023
Version No.	01

## **POLICY FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)**

**Kanchanjunga Power Company Private Limited (KPCPL)** is committed to operate and grow its business in a socially responsible manner with the vision to grow its business whilst reducing the environmental impact of its operations and increasing its positive social impact.

This policy outlines Corporate Social Responsibility agenda of the Company. Company's aim is to achieve responsible growth by laying down this policy and encouraging its employees to take small everyday actions that add up to make a big difference.

### **1. DEFINITIONS**

- 1.1. **'Company'** shall mean 'Kanchanjunga Power Company Private Limited', a Company incorporated under the provisions of the Companies Act, 1956.
- 1.2. **'Act'** shall mean the Companies Act, 2013 and includes any other rules, regulations made under the Act, statutory amendments, from time to time and any other statutory enactment thereof.
- 1.3. **'Board'** shall mean Board of Directors of the Company (Kanchanjunga Power Company Private Limited).
- 1.4. **'Independent Director'** shall mean the Director as defined and enunciated in sub section 6 of Section 149 of the Act, as and when applicable.
- 1.5. **'CSR'** shall mean the Corporate Social Responsibility as defined in the Section 135 of the Act.
- 1.6. **'Committee'** shall mean the CSR Committee formed by the Board of Directors of the Company, as and when applicable.
- 1.7. **'CSR Expenditure'** shall mean and include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board, but does not include any expenditure on an item not in conformity with the Policy framed thereunder.
- 1.8. **'Activities'** shall mean the CSR activities as approved by the Board in cohesion with those enunciated in Schedule VII of the Act for the benefits of the localities of nearby area of the Company.

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- 1.9. **'NGO'** shall mean the non-profit organizations be it a Registered trust, Society, Section 8 company incorporated under the Act made by the Company or its holding, subsidiary or associate Company, or any association formed and registered under the respective statutory body in India;
- 1.10. **'Directors' Report'** shall mean the report under the section 134 of the Act 2013, by the Company;
- 1.11. **'Website'** shall mean the official website of the Company.
- 1.12. Words not defined here shall have meaning assigned to them under the Act and Rules made there under.

### **2. COMMITTEE**

Pursuant to sub-section 9 of section 135 of the Act, the Board has not constituted a Committee as required by Section 135(1) of the Act. Further, in such cases the functions of the Committee provided under this section, shall be discharged by the Board of Directors of the Company.

### **3. CHAIRPERSON**

- 3.1. The Chairperson of the Board shall be elected by the Members of the Board in accordance with the requirements of the Act.

### **4. MEETINGS**

- 4.1. The Board members will meet as and when required for disposal of the business of the CSR.
- 4.2. Notice of any meeting of the Board relating to CSR has to be given at least 7 days prior to any such meeting to be held, unless all Members unanimously waive such

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notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member.

### **5. QUORUM**

- 5.1. Minimum of two Members shall form the Quorum, including at least one Independent Director, if any.

### **6. RESOLUTIONS**

- 6.1. All decisions shall be taken by simple majority. In case of equality of votes on any matter, Chairperson of the Board shall have a casting vote.
- 6.2. The Board may also pass the resolution by circulation, if the draft resolution along with necessary papers, has been circulated to all the members of the Board and has been approved by majority of the members, as are entitled to vote on the resolution.

### **7. MINUTES**

- 7.1. Minutes of the proceedings and resolutions of the Board meetings shall be signed and confirmed by the Chairperson of the meeting. Minutes so signed and confirmed shall be conclusive evidence of such proceedings and resolutions. Minutes of all Board meetings will be open for inspection at any reasonable time on reasonable notice by any member of the Board of Directors of the Company.
- 7.2. Minutes of the Board meeting shall be recorded in loose sheets bound and shall be initialed by the Chairperson in electronic form and shall be digitally signed by the Chairperson.

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### **8. MAINTENANCE OF RECORDS**

- 8.1. Company Secretary of the Company shall act as Company Secretary of the Board and responsible for maintaining the records of all the Meetings and duly signed minutes of the Meeting of the Board.

### **9. CSR FUNDS**

- 9.1. In every financial year, the Company shall spend at least 2 percent of its average Net Profits as prescribed in the Act and the Rules framed there under. Further, the Board may decide to spend more amount but not less than the amount as mentioned above, as and when applicable.

### **10. NOT FOR EMPLOYEES ONLY**

- 10.1. The CSR activities should not be exclusively for the benefit of employees of the Company or their family members.

### **11. ROLE OF BOARD OF DIRECTORS**

- 11.1. Review, Update and Approve CSR Policy.  
11.2. Placing CSR Policy on Company's website.  
11.3. Approve activities to be undertaken by the Company;  
11.4. Approve the amount to be spent on various CSR activities in a year.  
11.5. Approve implementation of CSR activities either by Company itself or indirectly through an NGO.  
11.6. Ensuring CSR activities are undertaken.  
11.7. Monitor CSR Policy from time to time.

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- 11.8. Where the Company fails to spend such amount, specify the reasons for not spending the amount in its report.
- 11.9. Aid in disclosing in the Directors' report of the Board under Section 134 of the Act.

### **12. NGO**

The NGO selection criterion for undertaking CSR activities on behalf of the Company shall be;

- 12.1. Legal identity and its organization;
- 12.2. Registration under the Income Tax and Foreign Exchange department, if applicable.
- 12.3. Members in the Board of NGO.
- 12.4. Past donors and recipients of NGO.
- 12.5. Impact assessment on the activities undertaken.
- 12.6. Input output ration of the activities undertaken.
- 12.7. Directors', employees, volunteers remuneration.
- 12.8. Future projects appraisal.
- 12.9. Beneficiaries of the activities.
- 12.10. Projected impact assessment of the activities.
- 12.11. Fund required for the activity and plan for contribution.
- 12.12. Other donors contributing for these chosen activities.
- 12.13. Mode of payment to the NGO shall be 'Crossed' and 'A/c Payee' Demand Draft/ Cheques.

### **13. ACTIVITIES MAY BE INCLUDED IN CSR POLICY**

As per Schedule VII of the Companies Act, 2013, as updated from time to time, following are the category of activities to be undertaken as CSR Activity:

- 13.1. 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;

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- 13.2. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 13.3. 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;
- 13.4. 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 setup by the Central Government for rejuvenation of river Ganga;
- 13.5. 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;
- 13.6. 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;
- 13.7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- 13.8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- 13.9. 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; and  
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

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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).]

- 13.10. Rural development projects;
- 13.11. Slum area development;
- 13.12. Disaster management, including relief, rehabilitation and reconstruction activities.
- 13.13. Promoting health, healthcare and medical aid;
- 13.14. Promoting welfare of “Divyangs”.

### **14. OTHERS**

- 14.1. Preference to undertake CSR activities shall be to local area and areas around Company’s Establishment/Works.
- 14.2. The Company may spend on CSR activities by way of contributing to an NGO which is registered as Trust or Section 8 company or Society or Foundation or any other form of entity operating within India have an established track record of three years in undertaking similar programs or activities.
- 14.3. The Company may incorporate/ register a separate trust, society, foundation, Section 8 Company, to facilitate CSR Activities. Where any trust, society or foundation is not established by the Company, it shall undertake the CSR activities on its own.
- 14.4. CSR activities in India only shall be taken into consideration.
- 14.5. Administrative expenditure incurred in undertaking CSR activities shall not exceed 5% of total CSR expenditure of the company for the financial year.
- 14.6. Company may build CSR capacities of its own personnel as well as those of its implementing agencies through Institutions with established track record of at least three financial years.

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- 14.7. Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.
- 14.8. The CSR policy of the Company as amended from time to time, shall be posted on the website of the Company.
- 14.9. Surplus arising out of the CSR Activity will not be part of business profit of the Company.
- 14.10. The Company may collaborate or pool resources with other companies to undertake activities.

### **15. REPORTING**

- 15.1. The Board's Report of the Company shall include report on CSR containing particulars prescribed by the Rules made under the Act pertaining to a financial year commencing from April 1, 2023.

### **16. REVIEW OF ACTIVITIES**

- 16.1. Frequency of review as far as possible will be on quarterly basis or as may be required.
- 16.2. Implementation of changes desired.
- 16.3. Alternate NGO performing better for the cause.
- 16.4. Recommendation of the identified NGO for the review of Board.

### **17. IMPLEMENTATION PROCESS**

- 17.1. As far as possible projects shall be identified in a participatory manner, in consultation with the community, and gauging their basic needs.

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### **18. AMENDMENTS TO THE CSR POLICY:**

- 18.1. The Company's Board of Directors shall have power to amend the CSR Policy at any point of time, if required.

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Annexure-1

### Proposal/ Recommendation Form

Sn.	Particulars	Details			
1.	Name of NGO				
2.	Registration no.				
3.	IT PAN				
4.	Location of NGO				
5.	Reg. for CSR funding				
6.	Eligible for 80 G				
7.	Credentials /Track Record				
8.	Activity Proposed				
9.	Classification of activity				
10.	Status of CSR obligations	<b>Sn</b>	<b>Particulars</b>	<b>(INR lakhs)</b>	<b>Annexures</b>
		a)	CSR obligation for the current year	...	
		b)	Sum incurred up to date	...	
		c)	Outstanding unspent commitments	...	
		d)	Balance uncommitted and unspent	..	
11.	Proposed Amount				
12.	Detail of beneficiary bank account for payment	<b>Sn</b>	<b>Particulars</b>	<b>Details</b>	
		a)	Name of the Bank		
		b)	Address of the bank branch		
		c)	IFSC		
		d)	Bank Account no.		
13.	Approval of CSR Committee/ Board	Final Amount sanctioned: Rs _____ ( Rupees ----- only)			
14.	Remark if any by CSR Committee/ Board				
15.	Signature CSR Committee/ Board (Minimum 3 members should sign the proposal including chairman)	1.			
		2.			
		3.			
		4.			
		5.			
		6.			

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