

CORPORATE SOCIAL RESPONSIBILITY (CSR)

POLICY

1. Preamble

KPB Nidhi Limited (hereinafter referred to as “the Company”) is committed to operate as a socially responsible corporate citizen. The Company is guided by its core values that it has adopted since its inception. The CSR policy is in alignment with its core values. The Company maintains highest standards of corporate behaviour towards its stakeholders, employees and towards the society in which it operates. The Company is of the strong belief that it is accountable for contributing back in a meaningful way to the society. Board has constituted a CSR Committee for advising and assisting the Board in respect of CSR policy management and monitoring its activities.

2. Compliance to Section 135 of the Companies Act 2013

Section 135 of the Companies Act 2013 (hereinafter referred to as Section 135) and the Companies (Corporate Social Responsibility Policy) Rules 2014 lays down the guidelines to be followed by companies, incorporated under Companies Act 1956 or Companies Act 2013, while developing their CSR programme. Section 135 and the Rules have become applicable for the company by virtue of crossing a net profit of Rs. five crores during the immediately preceding financial year. CSR committee has formulated a Corporate Social Responsibility Policy (hereinafter referred to as “the CSR Policy”) pursuant to Section 135 and the Rules.

3. Objective, Purpose and Applicability

Objective

The Company intends to contribute to the CSR initiatives by focusing on social, environmental and economic needs of the underprivileged sections of the society. The Company will comply with all the provisions of Section 135 and the Rules and will ensure that all the activities undertaken are otherwise than in normal course of business and are in line with Schedule VII of the Companies Act 2013.(hereinafter referred to as Schedule VII)

Key purpose

1. To define the projects which would come under the purview of CSR.
2. To identify broad areas in which the Company intends to contribute to the CSR initiatives/ undertake CSR projects.

3. To help in the execution and monitoring of CSR projects and in managing the surplus from CSR projects.

Applicability

This policy will apply to the organisation as whole, including all present and future branches and corporate office of the Company.

4. Broad Areas of focus as specified in Schedule VII

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.

2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

3. 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.

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 set-up by the Central Government for rejuvenation of river Ganga.

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 art and handicrafts;

6. measures for the benefit of armed forces veterans, war widows and their dependents;

7. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;

8. contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM Craes Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

9..a) Contributions 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

9. 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 Homeopathy (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)

10. rural development projects;

11. slum area development.

For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force;

12. disaster management, including relief, rehabilitation and reconstruction activities

5. Present Composition of CSR Committee

SI No.	Names of Directors	Position
1.	Rajesh Padmanabhan	Chairman(Non-Executive Director)
2.	Mohandas Parayath	Member(Independent Director)
3.	Puthenkovilakom Vijayakumar	Member(Independent Director)

6. Duties of the Committee

The CSR Committee of the Company shall be responsible for:

- Formulation of CSR Policy which shall indicate the activities to be undertaken by the Company as per Schedule VII and recommendation of the same to the board.

- Recommend the amount of expenditure to be incurred on such activities;
- Monitor the Corporate Social Responsibility Policy of the company from time to time and its implementation.

7. Duties of the Board

- Approve CSR Policy and modification thereof as may be deemed necessary.
- Ensure implementation of CSR policy and monitoring of CSR expenditure.
- Disclose the contents of CSR policy in the Board's report.
- Ensure spending of CSR amounting to at least 2% of the average net profit of the immediately preceding three financial years.

The Board shall give preference to the local area and areas where the Company operates for spending the amount earmarked for CSR activities.

8. CSR Budget

The total budget for the CSR projects in each financial year will be decided by the CSR Committee in accordance with applicable provisions of the Act (presently it is 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its CSR policy) and the CSR Rules and the same will be recommended to the Board for its approval. The CSR Committee shall propose to distribute the budget among the Areas of Focus that the Committee may deem fit in each financial year, in such proportion and in a manner that meets the the objectives of the CSR policy. The CSR expenditure recommended by the committee will be approved by the Board in the next meeting held immediately after the committee meeting, with or without modification for each financial year. If in any financial year, the company could not spend the budgeted amount due to any reason whatsoever, the unutilized amount will be carried forward and added to the budget of the next financial year.

9. Implementation Process, Monitoring and Reporting

CSR contributions

The Company will endeavour to contribute and spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years or such amount as may be recommended by the CSR Committee from time to time in pursuance of this Policy and as approved by the Board which falls within the ambit of Schedule VII of the Companies Act 2013.

Monitoring

CSR Committee will monitor the CSR activities depending upon the nature of the CSR activity and the manner of implementation.

Reporting

CSR activities which form part of the Board's Report would be in the format specified under the Companies Act 2013 and the Rules made thereunder. CSR policy would be reviewed by the Board from time to time and any modification be made with the approval of the Board. The annual report of CSR activities alongwith CSR policy of the Company shall be displayed in the company's website.

Implementation

CSR Committee shall periodically review the CSR project implementation reports which shall be presented to the Board. The Board shall review the implementation of the CSR activities periodically based on each project as reported by the CSR committee.

The Company shall execute its CSR programmes/projects through companies registered under Section 8 of the Act or registered trust/society having proven track record of minimum three years in such activities established by Government or under any Act of Parliament or legislature.

10. Activities not to be counted as CSR by the Company

- a) Any amount of expenditure on any item not in conformity with Schedule VII of the Act.
- b) Amount spent on any activities benefitting only the employees of the Company and their families.
- c) Contribution of any amount to any political party.

Computation of Net Profit for CSR

For the purpose of Section 135, "Average Net Profit" shall be calculated in accordance with the provisions of Section 198 of the Companies Act 2013.

APPROVED AND ADOPTED IN THE BOARD MEETING DATED 22.03.2024