



# KALINGA COMMERCIAL CORPORATION LIMITED

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### **I. CONCEPT AND INTRODUCTION**

Kalinga Commercial Corporation Limited (KCC) has been steadfast in providing world class integrated mining services with outcomes which are comparable to the best in the world and is now ready to deliver the mining needs of the future. We have been consistent in bringing the latest mining equipments to India, investing in cutting edge technologies and staying abreast of the breakthroughs in mining.

This Corporate Social Responsibility Policy is being formulated in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto, as amended from time to time. This policy encompasses the Company's philosophy for CSR, its responsibility as a corporate citizen and provides the broad guidelines and framework for undertaking programmes that can have a meaningful impact on the communities of which the Company forms a part of and the society at large. The policy shall apply to all the CSR initiatives undertaken by the Company at various locations in keeping with the guidelines enlisted in the Schedule VII of the Companies Act, 2013 and any amendments thereof.

Kalinga Commercial Corporation Limited (KCC) firmly believes in helping the needy, poor and those sections of society which needs economic and social upliftment. Company feels a sense of Responsibility towards the Community & Environment in which it operates. Company believes in conducting its Business Responsibly, Fairly and in a Transparent Manner. It brings overall positive impact on the Society & Environment where it operates.

This Policy specifies the Projects and Programmes that can be undertaken and the scope kept as wide as possible, so as to allow the Company to respond to different situations and challenges appropriately and flexibly.

The Company shall spend CSR amount only in the activities enumerated in Schedule VII of the Companies Act, 2013, which the Company plans to undertake during the implementation years.

### **II. OBJECTIVES**

- To directly or indirectly take up programmes that can beneficially impact the communities in and around the Company, thus enhancing the quality of life and creating healthier communities.



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- To ensure commitment and compliance at all levels within the organisation and create meaningful partnerships with stakeholders to achieve desired outcomes of the Policy.
- To create goodwill for the organisation and a continuity of the Kalinga Commercial Corporation's legacy through its CSR programme and reinforce the principles of corporate citizenship.

### **III. SCOPE**

In furtherance of its CSR objectives, the following are covered under the CSR Policy:

- i. CSR activities implemented by the Company on its own.
- ii. CSR activities implemented by the Company by engaging implementing agency such as any Section 8 Company or a registered trust or a registered Society, registered under Section 12A and 80G of the Income Tax Act and having an established track record of at least 3 years. Provided such implementing agency must have registered themselves with MCA21 portal to carry out CSR activities.

### **IV. DEFINITIONS**

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act, 2013, including any modifications, amendments or re-enactment thereof.
2. "Agency" (or Agencies) means any Section 8 Company or a registered trust / society / NGO / institution, performing social services for the benefit of the society.
3. "Approved Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
4. "Board" shall mean the Board of Directors of the Company.
5. "Company" shall mean Kalinga Commercial Corporation Ltd., and wherever the context requires, shall signify the Company acting through its Board.
6. "CSR Annual Plan" shall mean the annual plan detailing the CSR projects and expenditure towards the respective projects during any financial year.
7. "CSR Committee" shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an Independent Director.



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8. "CSR expenditure" means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:

- i. Contribution to CSR Projects which shall be implemented and/or executed by the Company;
- ii. Contribution to CSR Projects which shall be implemented and/or executed by an Agency.
- iii. Any other contributions covered under Schedule VII.

9. "CSR Projects" or "Projects" means Corporate Social Responsibility projects / activities / programs / initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.

10. "Financial Year" shall mean the period beginning from 1st April of every year to 31<sup>st</sup> March of the succeeding year.

11. "Net profit" shall mean the net profit as per the Companies Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.

12. "Ongoing Project" means a multi-year project undertaken by the Company in fulfilment of CSR obligations having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as the multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

13. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

14. "Society" means a Society formed and registered under the Societies Registration Act, 1860.

15. "Trust" means a Trust created and registered under the India Trusts Act, 1882.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

### **V. CONSTITUTION OF CSR COMMITTEE**

The Company shall constitute a CSR Committee of the Board consisting of 3 or more Directors out of which at least 1 Director shall be an Independent Director. The Board may change the composition of CSR Committee from time to time to comply with the provisions of the Act.



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### VI. ROLES AND RESPONSIBILITIES OF CSR COMMITTEE

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee comprising of Board of Directors of the Company. The Committee will play the following roles in fulfilling the Company's CSR objectives:

- Formulation & Review of CSR Policy indicating the Activities to be undertaken towards CSR initiatives, and ensuring Transparent Monitoring Mechanism;
- Recommendation of Funds for Expenditure to be incurred on CSR Activities;
- Annually/Quarterly Reporting to the Board, the Status of CSR Activities & Contributions made by the Company & other requirements mandated as per the Statute/Law;
- To upload/update CSR Policy on its website [www.kccl.co.in](http://www.kccl.co.in) and Statement on CSR Activities to be disclosed every year as part of Director's Report.
- The Contribution would be for a Particular Project(s) identified by the Company.
- Whilst making any Contribution shall specify the Activities for which it will spend and any Income earned shall be utilised towards CSR Activities only.

### VII. IDENTIFICATION OF CSR PROJECTS

The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local areas and areas around which the Company operates. However, this shall not bar the Company from pursuing its CSR objectives in other areas, as prescribed under Schedule VII of the Act and the amendments thereto.

### VIII. IMPLEMENTATION OF CSR PROJECTS

The Company shall implement the identified CSR Projects by the following means:

1. The Company may itself implement the identified CSR Projects;
2. The Company may also implement the identified Projects through any registered trust or any section 8 Company incorporated under the Act, which is involved in CSR activities.



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3. The Company, may collaborate with other companies, for fulfilling its CSR objectives provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

### IX. MONITORING

Monitoring process for CSR Projects shall include the following:

- Evaluation of Planned Progress V/s Actual Progress.
- Actual expenditure V/s expenditure as per the approved budget.

### X. FUND ALLOCATION

1. The Company, in every Financial Year, shall endeavour to spend the feasible amount, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.

2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:

- a. Identified CSR Projects
- b. The manner of execution of such projects
- c. CSR expenditure
- d. Implementation Schedules
- e. Details of need and impact assessment, if any, for the projects undertaken by the Company.

3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.

4. In terms of the provisions of Rule 8(3)(a) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, every Company having average CSR obligation of Rs. 10 crore or more in pursuance of subsection (5) of section 135 of the Act, in the 3 immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of 1 crore rupees or more, and which have been completed not less than one year before undertaking the impact study. Accordingly, if the CSR obligation exceeds Rs. 10 Crores in future, the Company will carry out impact assessment of completed CSR



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Projects having a value of Rs. 1 Crore, through an independent agency, at least once in every three years.

### **XI. DISCLOSURE OF THE POLICY**

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and necessary reporting shall be disclosed in the Board's report as well.

### **XII. CSR REPORTING**

MCA has brought amendment in Rule 8 of The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 effective from 22<sup>nd</sup> January, 2021 related to CSR reporting whereby it is mandatory that Board's Report pertaining to any financial year, shall include an annual report on CSR containing particulars and as per the format specified in the Rules.

### **XIII. DISPLAY OF CSR ACTIVITIES**

The Board of Directors of the company shall after taking the recommendations of CSR committee, approve the CSR policy of the Company and disclose contents of such policy in its report and the same shall be displayed on the company's website.

### **XIV. GENERAL**

- In case of any doubt with regard to any provision of this CSR policy and also in respect of matters not covered herein, a reference shall be made to the CSR Committee. In all such matters, the interpretation and decision of CSR committee shall be final.
- All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws
- The Company reserves the right to modify, cancel, add, or amend this CSR Policy
- Minimum 2 (Two) members shall constitute a quorum for the committee meeting



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- Committee members shall have at least one meeting in a Financial Year.
- Maximum permissible limit for administrative overheads is 5% of the total CSR expenditure of the Company for the financial year. Administrative overheads generally comprise of items such as training for employees, stationery cost, travelling expenses, utilities, office supplies, legal expenses etc.
- Administrative overheads 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 may build CSR capacities of their own personnel, as well as those of the Agencies through institutions with established track records of at least three Financial Years but such expenditure shall not exceed 5% of the Approved Budget of the Company in one Financial Year.
- Surplus arising out of CSR activities shall not form part of business profits and shall be ploughed back in the same project or shall be transferred to unspent CSR Account and spent in pursuance of CSR policy and annual action plan or transfer such surplus amount to a fund specified in Schedule VII within a period of six months of the expiry of the financial year.
- Amount spent towards CSR cannot be claimed as business expenditure. No specific tax exemptions have been extended to CSR expenditure.

### **XV. ACTIVITIES UNDER CSR**

The activities specified in Schedule VII of the Act, that can be done by the Company to achieve its CSR obligations include:

- i. eradicating hunger, poverty, malnutrition, promoting health care including preventive health care and sanitation (including contribution to the Swach Bharat Kosh) and making available safe drinking water;



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- ii. promoting education and employment enhancing vocational skills especially among children, women, elderly and the differently abled;
- iii. promoting gender equality, empowering women, 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water (including contribution to the Clean Ganga Fund);
- v. protection of national heritage, art and culture, setting up of public libraries, promotion and development of traditional art and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, Para Olympic sports and Olympic sports;
- viii. contribution to the Prime Minister National Relief Fund or PM CARES Fund
- ix. contribution to incubators or research and development projects in the field of science, technology, engineering and medicine funded by Central Govt. or State Govt or public sector undertaking, contribution to public funded universities, IITs, National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE), Department of Biotechnology (DBE), Department of Science and Technology (DST), Department of Pharmaceuticals, AYUSH Ministry, Ministry of Electronics & Information Technology, DRDO, ICMR, ICAR etc;
- x. rural development projects;
- xi. slum area development;
- xii. disaster management including relief, rehabilitation and reconstruction activities.

### **XVI. ACTIVITIES EXCLUDED FROM CSR**

The following are specifically excluded from being considered as eligible CSR activities:

- i. Activities undertaken in pursuance of normal course of business of the Company;
- ii. Activities undertaken outside India;
- iii. Contribution of any amount, directly or indirectly, to any political party;





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- iv. Activities benefiting the employees of the Company;
- v. Sponsorship activities for deriving marketing benefits for products/services;
- vi. Activities for fulfilling statutory obligations under any law in force in India.

### **XVII. TRANSFER OF UNSPENT CSR AMOUNT**

In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the unspent amount, shall be transferred to any fund included in Schedule VII of the Act (PM Relief Fund, PM CARES Fund, Swachh Bharat Kosh, Clean Ganga Fund etc.) within a period of six months from the expiry of the financial year and Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134.

### **XVIII. ROLE OF THE GOVERNMENT**

CSR is a board-driven process, and the Board of the Company is empowered to plan, decide, execute and monitor the CSR activities of the Company based on the recommendation of its CSR Committee.

Company is required to make necessary disclosures in the Financial Statements regarding CSR including non-compliance. The existing legal provisions such as mandatory disclosures, accountability of the CSR Committee and Board, and provisions for Audit of Accounts of the Company provide sufficient mechanisms for monitoring.

The Government has no direct role in the approval and implementation of the CSR programmes / projects of a Company.

### **XIX. REVIEW OF THE POLICY**

The CSR Committee shall adopt the change as prescribed by the Ministry of Corporate Affairs from time to time and make suitable modifications as may be necessary with the approval of the Board.

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