

KAKINADA SEAPORTS LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

DOCUMENT CONTROL

Submitted By - CSR Committee

Approved By- Board of Directors

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Context

The Companies Act' 2013 has introduced several provisions which would change the way Indian corporates do business and one such provision is spending on Corporate Social Responsibility (CSR) activities. CSR, which has largely been voluntary contribution by corporates, has now been included in law.

Further pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having either a) net worth of INR 500 crore or more; or b) turnover of INR 1,000 crore or more; or c) net profit of INR 5 crore or more, shall constitute Corporate Social Responsibility Committee ('CSR Committee') and the CSR Committee shall formulate and recommend Policy.

Objectives

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- Creating opportunities for employees to participate in socially responsible initiatives.

Definitions

In this Policy unless the context otherwise requires:

- a) 'Act' means Companies Act, 2013;
- b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014;
- c) 'KSPL' or 'Company' means Kakinada Seaports Limited
- d) 'Ministry' means the Ministry of Corporate Affairs

- e) 'Net Profit' means net profit as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014 as set out below:

Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- i. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act
- f) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

KSPL on CSR

KSPL believes in integrating its business values and operations to meet the expectations of its stakeholders and KSPL is committed to ensuring the social wellbeing of the communities in the vicinity of its business operations through Corporate Social Responsibility initiatives (CSR).

1. CSR Policy:

The Policy recognises that CSR is not merely compliance and it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

- CSR activities to include:
 1. Objective to efface the daily life segments including poverty, malnutrition and hunger while enhancing the standard of living and promoting the facets of better health care and sanitation.
 2. Initiative to promote the different segments of education including special education and programs to enhance the vocation skills for all ages like children, women, elderly and conducting other livelihood enhancement projects.
 3. Aim to bring the uniformity in respect of different sections of the society to promote gender equality and other facilities for senior citizens and developing hostels for women and orphans and taking initiative for empowering women and lowering inequalities faced by socially and economically backward groups.

4. Elevate the segment of flora and fauna to bring the ecological balance and environmental sustainability in respect of animal welfare, conservation of natural resources and agro forestry while maintaining the quality of air, water and soil.
5. Enhancement of Craftsmanship while protecting art and culture and measures to restore sites of historical importance and national heritage and promoting the works of art and setting up of public libraries.
6. Steps to bring worthy to the part of war widows, armed force veterans and their departments.
7. Sports programs and training sessions to enhance the level of rural sports, nationally recognized sports, Paralympic sports and Olympics sports.
8. Favoring to Prime Minister's National Relief Fund and contribution to other fund set up by the central government to promote socio-economic development and welfare of the schedule castes and Schedule Tribes and for supporting backward classes, minorities and women.
9. To uplift the technology of incubator that's comes under academic institutions and which are approved by the Central Government.
10. Introducing varied projects for Rural Development.
11. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

The below activities doesn't include under the CSR activities of the Company.

- Business run in the normal course.
- Outside the territory of the India or abroad.

1.1 Scope:

The Company is eligible to undertake any suitable/rightful activity as specified in Schedule VII of the Act.

1.2 CSR Annual Action Plan and Location of CSR Efforts

The CSR Committee shall decide on the locations for CSR activities and formulate and recommend to the Board for approval a CSR annual action plan, which shall contain all matters which are required under Applicable Law and any other matters as the CSR Committee may deem fit from time to time. The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

1.3 CSR Expenditure:

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR activities undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising

from any CSR activities shall be used for CSR. Accordingly, any income arising from CSR activities will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

1.4 Allocation of Funds:

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company.

However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of Section 135 of the Act.

1.5 Geographic reach:

The Act provides that the Company shall give preference to the local areas and areas around it where it operates, for spending the amount earmarked for CSR. The Company will thus give preference to conducting CSR activities in the State of Andhra Pradesh, Telangana and such other States(s) in India wherein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it deem fit, and recommend it to the Board for undertaking CSR activities.

2. CSR Committee

2.1 Guiding Principles for Constitution of CSR Committee

The CSR Committee will consist of three Directors, out of which at least one director shall be Independent director.

The Committee will meet as and when required to discuss and review CSR activities and Policy. The quorum for the Corporate Social Responsibility (CSR) Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and/or externals as it deem fit. The Company Secretary shall act as Secretary to the Committee.

2.2 Committee Members*

The current Chairperson and Members of the Committee are as follows:

Sl.No	Names	Chairperson/ Member
01.	Mr. K V Rao	Chairperson
02.	Mrs. K. Navtha	Member
03.	Mr. Sivaram Prasad Jetty	Member

*the composition of CSR Committee may be changed by the Board as and when required.

2.3 Extended Members

- Extended Members include employees in the Company and/or associated registered Trusts, Societies or Section 8 Companies operating in India, for supporting causes identified by the CSR Committee.
- The Extended Members should also be provided with adequate facilities as required.
- All Extended Members and volunteers must follow norms of confidentiality, if and as applicable.

2.4 Implementation

To implement the Company's CSR activities through extended members or through external implementing agencies or Trust or Foundations as notified by the CSR Committee from time to time.

2.5 Monitoring and Review

The responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken,
- Recommending the amount of expenditure for the CSR activities, and
- Monitoring CSR activities from time to time.
- The persons/bodies to which the implementation is assigned will carry out such CSR activities as determined by the CSR Committee within the specified budgets and timeframes and report back to the CSR Committee on the progress thereon at such frequency as the CSR Committee may direct.
- At the end of every financial year, the CSR Committee will submit its report to the Board.

- The Company will report, in the prescribed format as set out herein as Annexure I, the details of the CSR activities of the Company in the Director's Report and on the website of the Company at <https://kakinadaseaports.in>, as required under the Regulations.

3. Information dissemination

The Company's engagement in this domain is disseminated on its website, Annual Reports and through the media.

4. Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Rules/Regulations as may be issued from relevant statutory authorities from time to time.

5. Effective Date

This policy is effective from 25th January, 2021.

6. Contact

For queries related to the CSR Policy, please write to us at: cs@kakinadaseaports.com

Format for the Board of Directors Report on CSR to form part of Annual Report

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

- 5. (a) Average net profit of the company as per section 135(5):**
(b) Two percent of average net profit of the company as per section 135(5):
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:
(d) Amount required to be set off for the financial year, if any.
(e) Total CSR obligation for the financial year (a+7b- 7c):
- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):**
(b) Amount spent in Administrative Overheads:
(c) Amount spent on Impact Assessment, if applicable:
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]:

(e) CSR amount spent or unspent for the financial year: Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	-	-	-	-	-

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: NIL

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		
1	FY -1	-	-	-	-	-	-	-
2	FY -2	-	-	-	-	-	-	-
3	FY -3	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S I. N o.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of Authority/ beneficiary of the registered owner		
					entity/		
(1)	(2)	(3)	(4)	(5)	(6)		
-	-	-	-	-	CSR	Name	Registered
					Registration	-	address
					Number, if	-	-
					applicable	-	-

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:

(Chairman CSR Committee)

Chairman's Initials