



Karam Chand Thapar & Bros. (Coal Sales) Limited

Corporate Social Responsibility Policy

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. VISION

To actively contribute to the inclusive, sustainable, and equitable socio-economic development of the community, thereby creating societal value alongside long-term stakeholder value.

2. PHILOSOPHY

Karam Chand Thapar & Bros. (Coal Sales) Ltd. (“**KCT-CS**”) has long held a commitment to serving the underserved. Even prior to the statutory CSR mandate, we supported efforts in education, healthcare, research, disaster relief, and sports. We believe our business thrives because of society, and therefore we owe it to society.

Our CSR efforts are rooted in the Triple Bottom Line philosophy: balancing economic growth, environmental sustainability, and social equity.

3. DEFINITIONS & INTERPRETATION

- **Act:** The Companies Act, 2013 and any amendments thereto.
- **Board:** Board of Directors of the Company.
- **Rules:** The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
- **Committee:** The CSR Committee constituted by the Board.
- **CSR:** As defined under Section 135 of the Act and Rules, including activities listed in Schedule VII.

Unspecified terms shall carry the meaning assigned in the Act or Rules.

4. CSR OBJECTIVES & POLICY STATEMENT

KCT-CS shall:

- Integrate business growth with responsible social development.
- Prioritize CSR projects in local areas around its operations.
- Design initiatives with measurable outcomes.
- Align CSR goals with Schedule VII of the Act.

CSR shall include, but not be limited to:

- i. **Education** (primary, secondary, higher and digital literacy).
- ii. **Healthcare** (including preventive care, cancer research, and eye care).
- iii. **Disaster Relief** (support during floods, earthquakes, etc.).
- iv. **Environmental Sustainability** (conservation, renewable energy, pollution control).
- v. **Women Empowerment** (gender equality, livelihood opportunities, skilling).
- vi. **Sports Promotion** (including rural and indigenous sports).
- vii. **Rural Development** (livelihood, agriculture, basic infrastructure).
- viii. **Support for Marginalized Groups**, including SC/ST, minorities, and differently abled persons.

- ix. **Collaborative Projects** with the Government or other companies as per Rule 4(3).
- x. **Contribution to Government Funds** like PM CARES or Clean Ganga Fund, if aligned with Schedule VII.

Surplus from CSR projects shall not form part of the business profits and must be reinvested into CSR activities.

5. CSR FOCUS AREAS

- Education
- Healthcare and Family Welfare
- Environment & Climate Action
- Women Empowerment
- Sports & Culture
- Sustainable Livelihoods
- Rural Development
- Disaster Management
- Art and Culture
- Any other activity listed in **Schedule VII**

Preference shall be given to local areas where the company operates.

6. CSR IMPLEMENTATION

CSR projects shall be implemented through:

- a) A company established under Section 8 of the Act or
- b) A registered public trust/society with CSR-1 registration number or
- c) Beneficiaries organized as collectives/self-help groups or
- d) A public authority.

All implementation partners must have an active CSR Registration Number with the Ministry of Corporate Affairs.

7. CSR EXPENDITURE

- The Company shall spend at least 2% of the average net profits of the three preceding financial years, calculated as per Section 198 of the Act.
- Unspent CSR amounts:
 - Related to ongoing projects: to be transferred to a CSR Unspent Account within 30 days from the closure of the current financial year and to be spent within 3 years.
 - Not related to ongoing projects: to be transferred to a Fund specified in Schedule VII within 6 months from the closure of current financial year.

Any shortfall shall be disclosed in the Board's Report with reasons for not spending.

8. CSR COMMITTEE

The CSR Committee shall comprise of number of member(s) mandatorily required by the Act.

Functions of the CSR Committee:

- Formulate and recommend the CSR Policy and Annual Action Plan.
- Recommend budget allocation for CSR activities.
- Monitor CSR project implementation and impact.
- Recommend changes to the Annual Action Plan, if needed.

9. ANNUAL ACTION PLAN

The CSR Committee shall present an Annual Action Plan to the Board, including:

- Approved projects and programs
- Implementation mechanisms
- Fund allocation and usage
- Monitoring and reporting mechanisms
- Need and impact assessments, where required

The Board can revise the plan based on the Committee's recommendations.

10. MONITORING & IMPACT ASSESSMENT

- The CSR Committee will periodically review CSR project progress—both financial and programmatic.
- Monitoring may include site visits, progress reports, and external audits.
- Impact assessments shall be undertaken as per Rule 8(3) for projects \geq ₹1 crore and with \geq 1 year duration.
- Findings from impact assessments shall be placed before the Board and disclosed in the Annual Report on CSR.

11. DISCLOSURES & REPORTING

The requisite disclosures as specified in the Act and its allied Rules shall be disseminated on the website of the Company.

12. AMENDMENTS TO THE POLICY

- This Policy shall be reviewed periodically and may be amended to align with legal, regulatory, or business requirements.
- Any changes shall be approved by the Board on the CSR Committee's recommendation.
- In case of conflict between the Policy and law, the provisions of the law shall prevail.

- The Board may delegate approvals to the CSR Committee / a Competent Authority within the company for modification of Annual Action Plan on justifiable reasons up to 10% within approved budget line item, and 5% on new budget line items. All such modifications shall require a post facto approval from the Board.

13. COMPLIANCE

In case of any difference in interpretation or understanding of the company's CSR policy, the provisions of the Act and applicable CSR Rules shall prevail
