KOTHARI PETROCHEMICALS LIMITED (KPL)

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

w.e.f 14th Aug 2026

1. CONCEPT:

1.1. SHORT TITLE & APPLICABILITY:

1.1.1 This policy, which encompasses the company's philosophy for drawing its responsibility as *a corporate citizen* and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the '**KPL *CSR Policy'*.**

1.1.2 This policy shall apply to all CSR initiatives and activities taken up by KPL, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

1.2. CSR VISION STATEMENT & OBJECTIVE:

1.2.1. In alignment with the "V*ision"* of the company, KPL, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a *Socially Responsible Corporate*, with environmental concern.

1.2.2. The objective of the KPL *CSR Policy* is to:

- ✓ Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- ✓ To directly or indirectly take up programmes that benefit the communities in & around its work centers and results, over a period of time, in enhancing the quality of life & economic well being of the local populace.
- ✓ To generate, through its CSR initiatives, a community goodwill for KPL and help reinforce a positive & socially responsible image of KPL as a corporate entity.

1.3. CSR COMMITTEE:

1.3.1 The Corporate Social Responsibility (CSR) Committee comprises of following Directors:

Sl. No.	Name	Members
1.	Mrs. Nina Bhadrashayam Kothari	Chairperson (Non-Executive & Non-Independent)
2.	Mr. Arjun B.Kothari	Member (Executive & Non-Independent)
3.	Mr. S. Sundarraman	Member (Independent)

2. GUIDING PRINCIPLES - RESOURCES & AREAS TO BE COVERED

2.1. Funding & Allocation:

2.1.1. Subject to triggering CSR obligation on any financial year to achieve its CSR objectives through implementation of meaningful & sustainable CSR programmes, KPL will allocate 2% of its average annual net profits made during 3 immediately preceding financial years, as its *Annual CSR Budget.*

2.1.2. Administrative overheads are the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme and shall not exceed five percent of total CSR expenditure of the Company for the financial year.

2.1.2. From the annual CSR Budget allocation, a provision will be made towards the CSR activities made under relevant expenditure heads, on a year on year basis as per the amount spent on any activities covered under **Schedule VII of the Companies Act, 2013 and amendments thereon.**

2.1.3. CSR activities will not include the activities undertaken

(i) in pursuance of normal course of business of the Company,
(ii) outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
(iii) benefitting the employees of the Company (as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019) and as amended from time to time),
(iv) by contributions of any amount directly or indirectly to any political party,
(v) on sponsorship basis for deriving marketing benefits for its products or services or activities carried out for fulfilment of any other statutory obligations under any law in force in India.

2.1.4. Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII/ any other fund notified by the Government, within a period of 30 days from the date of completion of the third financial year.

2.2 Area to be covered

2.2.1. The poor and needy section of the society living in different parts of India would normally be covered on the activities covered under Schedule VII of the Companies Act, 2013 and amendments thereon. As per the Section 135 of the Companies Act, 2013 the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities within the State / States in India.

3. PLANNING

3.1. The Annual Action plan shall be formulated / altered by the Board any time during the financial year, as per the recommendation of the CSR Committee based on the reasonable justification to that effect.

3.2. The CSR Annual Action Plan shall include the following:

a. the list of CSR projects that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act,
b. the manner of execution of such projects,
c. the modalities of utilisation of funds and implementation schedules for the projects,
d. monitoring and reporting mechanism for the projects and
e. details of need and impact assessment, if any, for the projects undertaken by the company.

4. IMPLEMENTATION:

4.1. CSR programmes will be implemented by the Company on its own or by any Specialized Agencies to the best possible extent. Specialized Agencies include a Section 8 company or a registered public trust or society. These organizations should have CSR Registration number and registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961) and other criteria as required under Section 135 of the Companies Act, 2013 and its Rules thereon.

4.2. The Company may also collaborate with other companies / institutions to undertake CSR projects or programme, provided the CSR Committees of the respective companies are able to report separately on such projects.

4.3. CSR programmes as may be identified by each work centre/corporate office will be required to be put up to the CSR Committee at the beginning of each financial year with due recommendations from the Board of Directors of the Company.

4.4. For meeting the social cause arising out of immediate and necessary situations, Managing Director is authorised to approve proposals in terms of the empowerment accorded to him by the CSR Committee / Board and subsequently brought to the information of the CSR Committee and the Board.

5. MONITORING AND FEEDBACK

5.1. The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee of the Board which formulates and recommends to the Board the CSR policy and the annual action plan.

5.2. The CSR committee to monitor the progress of the annual action plan, their manner of execution, modalities of utilization of funds and implementation schedules at the end of the financial year.

5.3. The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect by end of the financial year.

5.4. Appropriate documentation of the KPL CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.

5.5. CSR initiatives of the Company will also be reported in the Annual Report of the Company in the prescribed format.

6. GENERAL

6.1. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to Secretarial Department.

6.2. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

6.3. The Company reserves the right to modify, cancel, add, or amend any of these Policy Rules.

6.4. The other terms and conditions on implementing the CSR projects and programmes shall be complied as per the provisions of Section 135 of the Companies Act, 2013 and its Rules and amendments thereon.

CSR Annual Action Plan for the Financial Year 2026 - 2027

(Rs. in Lakhs)

S. No.	Name of the CSR Project	Category under Schedule VII	Manner of execution	Amount to be spent	Implementation Modality	Implementation Schedule
1.	One-time educational Scholarship for College Students	clause (ii)	One-time educational scholarship support to the meritorious students who belong to the economically and socially disadvantaged sector.	50.00	Implementing Agency namely, Shyam Kothari Foundation CSR Registration No: CSR00005719	During the FY 2026 - 27
2.	Chennai International Centre	clause (v)	Promoting Art & Culture through restoration of buildings, setting up intellectual hub which includes Amphitheatre, library, art galleries fostering intellectual and cultural vibrancy	25.00		
3.	Professional Institutions	clause (ii)	Promoting education by providing books, scholarships to professional students, and supporting institutional infrastructure development	10.00		
4.	Rejuvenation of the Kulakari Pond near Manali/infrastructure facilities	clause (iv)	Ensuring environmental sustainability, & maintaining quality of soil, air and water	30.00		
5.	Akshya Patra	clause (i) & (ii)	Eradicating hunger poverty and malnutrition by providing Breakfast Programme for School Children in local areas	10.00		
6.	CMC, Vellore	clause (i)	Contribution towards promoting health care including preventive health care / Creating health care infrastructure facilities	50.00		
7.	Udhavum Ullangal	clause (i)	Contribution towards promoting health care including preventive health care	5.00		
8.	Supporting educational infrastructure in institutions & Contributing to healthcare / enhancing medical infrastructure facilities.	clause (i) & (ii)	Support / Construct various infrastructure facilities at educational institutions & Contribution towards promoting health care including preventive health care / Creating health care infrastructure facilities	02.00		
			Total	**182.00**		