

CSR POLICY

CONCEPT SHORT TITLE & APPLICABILITY:

This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for carrying out socially useful activities / projects and programs for welfare & sustainability and development of community at large, preferably at local area and in its areas of operation, it is titled as "PKH Ventures Limited CSR Policy".

This policy shall apply to all CSR projects, activities and initiatives taken-up at all units/zonal offices/Regional / District offices/ Work Centers and locations of BEML, or any other location as may be decided by the management of BEML for the benefit of different segments of the society.

VISION STATEMENT & OBJECTIVES:

"To commit for enhanced value-creation for the Society, our shareholders, other stakeholders and the communities by taking-up activities and initiatives for sustainable growth for the Society, with environmental concern".

OBJECTIVES:

To ensure an increased commitment at all levels in the organization, operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders. To directly or indirectly take up programs that benefit the communities in & around its units /Zonal offices /Regional / District offices/Work Centers and results, over a period of time, in enhancing the quality of life & economic well-being of the local population. To generate through its CSR initiatives, a community goodwill for PKH Ventures Limited and help reinforce a positive & socially responsible image of PKH Ventures Limited as a corporate entity.

CSR COMMITTEES:

PKH Ventures Limited shall have a CSR Committee of Board consisting of three or more directors out of which at least one Director shall be an Independent Director

SCOPE & FUNCTIONS OF CSR COMMITTEE:

The functions / terms of reference of CSR Committee shall, inter-alia, include the following:

- a) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Act;

- b) To recommend CSR activity / programme / project to the Board for its approval;
- c) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- d) To monitor the CSR Policy of the Company from time to time;
- e) To review the CSR activities of the Company and provide progress update to the Board of Directors at such interval as may be deemed fit.
- f) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors, from time to time.

ROLE OF THE COMMITTEE:

The Committee shall carry out of the following functions:

- a) Recommend the CSR Policy to the Board.
- b) Identify the projects/activities to be undertaken by the Company for CSR.
- c) Recommend to the Board CSR Activities to be undertaken alongwith detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities.
- d) Monitor the CSR Policy of the Company from time to time.
- e) Ensure compliance of CSR Policy and the Rules.
- f) Such other functions as may be delegated and/or assigned by the Board from time to time.

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

AREAS OF CSR & SD ACTIVITIES:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) 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.

(iv) 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.

(v) 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;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

(viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;

ix) (a) Contribution 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

(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 Homoeopathy (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)

(x) rural development projects

(xi) slum area development.

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.

(xii) Disaster management, including relief, rehabilitation and reconstruction activities.

QUANTUM OF AMOUNT TO BE SPENT ON CSR ACTIVITIES:

1. The Company shall strive to spend in every financial year at least 2% (two percent) of the average net profits of the Company made during the three immediately preceding financial years, if any.

2. Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

Implementation of CSR Activities

a) The Company may undertake CSR Activities directly or through a registered trust or society or any company, established by the Company, its holding or subsidiary company under Section 8 of the Act for such non-profit objectives.

Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.

b) The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the “Rules”).

c) The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.

d) The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.

POWERS FOR APPROVAL:

CSR programs as may be identified by Corporate Office/ Complexes / Divisions / Zonal Offices / Regional / District Offices / Work Centers / Corporate CSR Department will be required to be put up to the CSR Committee of the Board at the beginning of each financial year with due recommendations and the Committee will make proposal for the approval of the board.

MONITORING & FEEDBACK:

To ensure effective implementation of the CSR programs undertaken at each Complex / Division / Office a monitoring mechanism will be put in place.

The progress of CSR programs under implementation will be reported to Corporate Office on a monthly basis.

The CSR department at the Corporate Office will conduct impact assessment studies on a periodic basis, if necessary through independent professional third parties/professional institutions, especially on the strategic and high value programs.

PKH Ventures Limited Corporate Office/ Complexes/Divisions/Zonal Offices/Regional /District Offices/Work Centers will also obtain feedback from beneficiaries about the programs.

Appropriate documentation of the PKH Ventures Limited CSR Policy, annual CSR activities, executing partners and expenditure entailed will be undertaken on a regular basis and the same will be made available to Corporate Office.

CSR Policy and initiatives of the Company will also be reported in the Annual Report and the official website of the Company.