



KPIT



## CORPORATE SOCIAL RESPONSIBILITY POLICY

(Version 1.1)

### Document Revision History

Version No.	Clauses Changed	Prepared By/Modified By	Approved By	Control Dates
1.0	New Policy Drafted	Tushar Juvekar	Board of Directors	<b>Version Effective Date:</b> January 14, 2019
1.1	Adoption of new policy document incorporating details require to disclose under Section 135 of The Companies Act 2013 and the rules made thereunder.	Tushar Juvekar	Board of Directors	<b>Version Effective Date:</b> April 28, 2021

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## I. Our Philosophy:

Corporate Social Responsibility (CSR) has been an intrinsic part of KPIT's philosophy since its inception. Being a socially responsible business organization, we continue to push the bar higher through technology and innovation driven CSR activities. We believe that it is our moral responsibility to give back to the community, which in so many ways has contributed to our success and helped our business grow.

KPIT's Corporate Social Responsibility policy is aligned to have a stronger commitment towards the community. We demonstrate this commitment across all the regions of KPIT's global presence. The policy aims to create long-lasting impact across the focus areas of energy, education and environment via strong employee engagement. We firmly believe, through technology and innovation, KPIT can add significant values to the communities worldwide.

## II. Composition of CSR committee:

As per Section 135 of Companies Act, 2013 and the Rules pertaining thereto, a committee of the Board known as "Corporate Social Responsibility Committee" ("CSR committee") comprising the following members has been constituted:

Sr. No.	Name of Director	Position held in CSR Committee
1	Mr. Anant Talaulicar	Chairman
2	Mr. S. B. (Ravi) Pandit	Member
3	Mr. Sachin Tikekar	Member

The CSR committee shall act by the following terms of reference:

1. Formulation and recommendation of the CSR policy and annual action plan for each financial year to the Board of Directors ("Board");
2. Identification of activities to be undertaken by the Company pursuant to Schedule VII of the Companies Act, 2013;
3. Recommendation of the amount of expenditure on CSR activities as per annual action plan; and
4. Monitor and review the CSR policy from time to time;
5. Evaluation of need and impact assessment, if any, for the projects undertaken by the Company.

## III. CSR Budget:

The CSR Committee will recommend the total budget for CSR projects along with the specific planned activities for the year which will be aligned to the three CSR focus. This CSR budget will be approved by the Board.

## IV. Guiding Principles & Scope of Activities to be carried out by the Company:

### A) Guiding Principles:

1. Community Initiative should not be restricted to only contribution of funds. It must involve the energies and efforts of the people.
2. Community Initiatives should be rendered in areas where the company's core strengths are, so that we can contribute more than just our time and money. Therefore, we use our expertise and knowledge in technology to educate and enable communities.
3. The efforts should be concentrated on a few initiatives to ensure significant results and maximum impact.
4. Initiatives are not limited to any cultural, regional or physical boundaries. We ensure a wider reach of each initiative to benefit the society at large.
5. All practices and initiatives should be metrics-driven, for greater transparency and to ensure measurable results. We will aim to achieve involvement from our employees equal to or greater than 1.5 times of total employee strength in a given year. We will measure the number of beneficiaries and the number of employees involved in each initiative.
6. We firmly believe in the principle of collaboration. We understand that in the area of social service, there are other entities with greater depth of knowledge. In order to give the best to the society, we will collaborate with such entities.

### b) Scope of Activities to be carried out by the Company:

#### 1. ENVIRONMENT:

Our Vision is reimagining mobility with you for creation of a cleaner, smarter & safer world. We also enable our clients to run their business efficiently and in environment friendly way. In line with this, our CSR initiatives are also focused towards making this planet a better place to live in.

#### 2. EDUCATION:

We aim to transform lives of people in our community through science and technology education. We firmly believe that education can bring in long term transformation. The focus on science and technology is because of our belief that technology can change lives and science brings in rational thinking.

#### 3. ENERGY:

We use our technology expertise to develop innovative solutions that enable green, efficient energy generation and consumption. We aim to serve our communities with an intent of delivering energy efficient products, services and processes that contribute towards making this world more sustainable and a better place to live in.

#### 4. EMPLOYEE ENGAGEMENT:

While the earlier three categories have a specific focus and include participation of employees, there are several other initiatives focused on engaging our employees to work on different social causes. The employee engagement category provides every employee with an opportunity to do their bit for the society. KPIT would like to facilitate each India based employee to spend 4 working hours in a year for CSR activities.

#### 5. OTHER:

Any other cause will be taken as a CSR Project as long as there is a pressing societal need.

As a practice, we classify only those projects that are over and above our normal course of business as CSR. This policy applies to all our CSR projects. On a periodic basis, this policy will be reviewed and updated in line with relevant provisions of corporate governance and best practices. Furthermore, the policy also fulfils the requirements prescribed under Section 135 of the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

#### V. Modalities for the execution of the CSR Activities:

1. As per Companies Act, 2013, the Company will contribute a minimum of 2% of its average net profits of the three immediate preceding financial years towards CSR activities. The CSR committee will study, evaluate, assess and recommend to the Board, the projects identified and its implementation by the Company. The Company may appoint implementing agencies and if such implementing agencies are appointed, then Company and such implementing agencies will execute the project jointly or severally as recommended by the CSR Committee and approved by the Board as mentioned above.
2. A credible, committed & approved implementing agency, if appointed, will be selected through a due diligence process. As per the CSR norms, they will need a minimum track record of 3 years of consistent and impactful work along with valid required documents and necessary registration/accreditations mentioned in all the applicable statutory requirements as amended from time to time.
3. Project evaluation, monitoring and assessment shall be conducted by a third party, if the Company decides.

#### VI. Annual Action Plan:

The detailed annual action plan for CSR is specified in Annexure -1 to this policy.

## VII. Monitoring Process:

The CSR committee shall:

1. Be responsible for monitoring the implementation of the annual action plan;
2. Evaluate and assess all the projects recommended in terms of the time frame and its social impact;
3. Ensure that if a surplus arises out of CSR activities, the same shall not be a part of the business profit of the Company;
4. Meet at least twice a year to monitor and assess the process, progress, and impact of the various projects undertaken;
5. Update all the information mentioned in point (1) to (4) to the Board of Directors half yearly;
6. Provide a report on the implementation of CSR projects in the prescribed form to the Board annually.

## VIII. Project Life-cycle:

At KPIT, CSR projects are strategically planned and managed. Following are the key stages of a project:

### 1. Project Approval

The projects suggested by the CSR team in consultation with Chairman of the CSR committee, will be presented for the approval & recommendation of CSR Committee. The CSR Committee will in turn recommend the projects and budget to the Board for its approval.

### 2. Implementation

The final projects approved by the Board will be communicated to the CSR Team for implementation. These projects will either be self-implemented or in partnership with an approved implementing agency jointly or severally.

### 3. Monitoring

The CSR Committee will monitor the implementation of all the approved CSR projects and provide an update to the Board.

### 4. Reporting

The CSR committee, based on reports submitted by the CSR team, will annually publish a report on the CSR projects as a part of the Board's Report. The report will disclose information in a format as prescribed under Section 135 of the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

## **IX. Partner Qualification:**

If a third party (Implementing Agency) is employed to carry out the implementation of our CSR projects, the CSR team will ensure and the CSR Committee will review that they have capabilities for undertaking CSR projects or programmes. Such Implementing Agencies should be able to produce their audited financial statements and in case of an NGO, they should also be able to produce their registration forms according to Section 80G/12A of the Income Tax Act, 1961.

## **X. Treatment of Surplus:**

Any surplus generated from CSR projects undertaken by KPIT will be tracked and channelized into KPIT's CSR budget. These funds will be further used in the development of the CSR projects and will not be added to the normal business profits.

**Annexure 1  
CSR Annual Action Plan for FY 2021-2022**

Sr No	CSR projects Identified	Sector in which the project is covered	Location City/District (State)	Amount outlay (budget) project in INR	SPENT in FY 20-21	Amount spent: Direct or through implementing agency	Project Type	Implementation schedules
1	Water Conservation Program	Environmental sustainability	Pune (Maharashtra)	1,000,000	1,000,000	Agency: In Association with Jnana Prabodhini	Ongoing	Q3
2	Conservation of Private Forests in Koyna-Chandoli Corridor	Ecological balance	Pune (Maharashtra)	500,000	500,000	Agency: In Association with Wildlife Research & Conservation Society	Ongoing	Q3
3	Chhote Scientists	Promoting education	Pune (Maharashtra) Bengaluru (Karnataka)	1,500,000	2,000,000	Agency: In Association with Jnana Prabodhini & Youth For Seva	Ongoing	Q3 & Q4
4	KPIT SPARKLE	Promoting education	Pune (Maharashtra)	11,000,000	4,778,542	Direct	Ongoing	Q4
5	KPIT Shodh	Promoting education	Pune (Maharashtra)	1,000,000	-	Agency: In Association with IISER Pune	Ongoing	
6	Smart India Hackathon	Promoting education	Pune (Maharashtra)	1,000,000	-	Agency: In Association with I4C Pune	Ongoing	Q3
7	Teaching Classes at Thayimane, Bengaluru	Promoting education	Bengaluru (Karnataka)	200,000	200,000	Agency: In Association with Shri Vidya Vikas Kendra	Ongoing	Q3
8	Donation to Maharashtra State Lawn Tennis Association (MSLTA)	Training to promote Olympic Sports	Pune (Maharashtra)	5,000,000	2,500,000	Agency: In Association with MSLTA	Ongoing	Q3
9	Economic Empowerment of Women through skill training	women empowerment	Pune (Maharashtra)	1,000,000	1,151,188	Agency: In Association with Maharshi Karve Stri Shikshan Sanstha	Other than ongoing project	Q2
10	COVID CARE CENTER	COVID-19	Pune (Maharashtra)	1,500,000	1,282,500	Agency: RSS Jan Kalyan Samiti	Other than ongoing project	Q1
11	ENVIRONMENTAL SUSTAINABILITY	Ensuring environmental sustainability	Pune (Maharashtra)	2,000,000*	-	Agency	Ongoing	Q1
12	Admin Overheads (5% of total CSR expenditure)			1,283,276				
<b>Total</b>				<b>26,983,276</b>	<b>13,412,230</b>			
<b>Excess Amount</b>				<b>(1,317,751)</b>				
<b>Total Budget</b>				<b>25,665,525</b>				

\*Out of INR 3,309,525 which has been transferred to "Unspent CSR Account for the FY 2020-21" as per Section 135 (6) of the Companies Act, 2013, INR 20,00,000 have been allocated in FY 2021-22 for projects related to Environmental Sustainability.