

K M SUGAR MILLS LTD

ANNUAL ACTION PLAN FOR CSR

(For Financial Year 2022-23)

The Annual Action plan for Corporate Social Responsibility (CSR) prepared in compliance with Rule 5 (2) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. Objective

The company believes that it shall be in the interest of the society if a part of its CSR budget is allocated towards creation of health infrastructure and provides education to the unprivileged children's.

The objective of CSR initiative of the Company is to assist in building a society that offers an opportunity to develop the socio-economic conditions needed to live a life of dignity. During the past years the main focus of the company for CSR expenditure was promoting health care including preventive health care and sanitation and education to the needy people. The company has majorly focused on hospital construction and educational institute etc. The Hospitals pose many challenges to those undertaking reform of health care systems. Our Company's CSR Policy examines the evolving role of the hospital within the health care system in rural areas for unprivileged people and education facility. The company aims to provide best health care services to the poor people under its CSR Activities.

However, with the outspread of Corona virus since December 2019 the medical facility of oxygen concentrators, ventilators, or other such medical equipment's for treatment of COVID patients within the country has crippled. The Company has decided to carry on health promotional activities through an implementing agency i.e Shree Laxmi Public Charitable trust formed in 1980 The shortage of beds in hospitals, ventilators and oxygen more specifically as the CSR Activities of the company. The Ministry of Corporate Affairs vide its General Circular No. 09/2021 dated 05th May, 2021 has also approved for the expenditure for health infrastructure as a CSR spending and the same shall qualify as approved CSR activity as per section 135 and Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and as per guidelines issued by Ministry from time to time.

2. CSR Budget

As per Section 135(5) of the Companies Act 2013 and CSR Rules notified on 22nd January,2021, the company is statutorily obligated to spend a minimum amount of Rs. 79,00,000/- (Rupees Seventy-Nine Lacs Only) on CSR activities during the current financial year, or such higher amount as the Board may approve, on the recommendation of the CSR committee. Further, the company has already spent excess CSR Rs.1.09 crores in FY 2021-22, which may be set off by the company in FY 2022-23.

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3. List of CSR Projects/ Programs to be undertaken as per Schedule VII of the Companies Act, 2013.

Category	Activities	Selected task
Promoting Health Care	Facilitate basic infrastructure	Contribution towards Construction of Hospital by SLPCT
Covid Relief	Free Food Distribution	Free Food Distribution directly by the company Supply of oxygen concentrators/setting up of oxygen plant
Education	Promoting Education facilities	Promoting Education facilities directly by the company
Total budget		

The budget available for construction of hospital by an implementing agency i.e Shree Laxmi Public Charitable trust shall be utilized for existing projects which were already adopted by the company. The CSR fund shall also be utilized towards Education promotion, providing Covid Relief or any other requirement that may come up from time to time.

The funds available for healthcare shall be utilized for setting up healthcare infrastructure, supply of oxygen concentrators, other medical equipment in hospitals and other similar activities which may

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qualify as CSR activities as per Schedule VII of the Companies Act, 2013 and amendments thereof. Detailed break-up of utilization shall be prepared post finalization of these arrangements.

However, as per the proviso to Rule 5 of the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

4. Manner of Execution

The CSR projects/programs shall be executed directly by the company through its own staff and resources and implementation agency as done in the past years.

5. Modalities of Utilisation of Funds

- The CSR budget of Rs. 79.00 lakhs can be utilised by setting off previous years excess CSR spent or shall be spent on promotion of education facility and healthcare/Covid Relief etc. as per the apportionment as covered in para 3 above and subject to approval of the Board on the recommendation of the CSR Committee
- The company may make advance payments to the parties, or make the payments in tranches depending upon the size of transaction and nature which shall be adjusted with the final billing for CSR Activities.

6. Implementation Schedule

It is proposed to start the implementation once the action plan is approved by the Board of Directors upon the recommendation of the CSR committee. Duration for CSR projects/programs will be of maximum one year which will be reviewed from time to time on the basis of the project performance.

7. Monitoring and Reporting Mechanism

The Monitoring Mechanism of each CSR project will differ on the basis of the nature of the project. All the projects will be monitored & evaluated as per the objectives & deliverables set for respective projects as per Board & Committee recommendation.

However, the committee shall ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by it. For this purpose, the company shall circulate to the CSR committee, a monthly report on the progress made and expenses incurred to the. Further the Chief Financial Officer and Internal Auditor of the Company shall certify to that effect on half yearly basis and submit a utilisation certificate with the statement, that the funds so disbursed have been utilised for the purposes and in the manner as approved by the Board and recommended by the CSR committee.

Furthermore, as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, the composition of the CSR committee, CSR Policy and CSR Projects approved by the

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Board shall be placed on the website of the company, for public access and also disclosed in the Annual Report of the Company.

8. Details of need and impact assessment, if any

As per Rule 8(3) (a) of the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, since the company does not have an average CSR obligation of Rs. 10 Crore or more in the three immediately preceding financial years, therefore the company is not required to undertake an impact assessment through an independent agency.

However, the CSR (HR Department) shall remain in constant touch with the beneficiaries of the CSR spending and an impact study shall be prepared by the CSR (HR Department), which shall be placed for consideration of the committee members upon the close of the Financial Year