

CSR Governance Protocol and RASCI Matrix

Roles of CSR Committee and Board of Directors for CSR Activities

i. Constitution of CSR Committee

Re: Section 135 of the Companies Act, 2013:

- This section requires companies meeting specific criteria (e.g., a net worth¹ of ₹500 crore or more, or a turnover of ₹1000 crore or more, or a net profit of ₹5 crore or more) to constitute a CSR Committee.
- If the above requirements are met, KB companies in India are legally required to constitute CSR Committee with 2 or more directors of the company.

Notes:

- CSR Committee is a statutory Committee of the Board and only directors of the Company can be part of the CSR Committee.
- Current CSR Committee members of each company:

Company	CSR Committee Members
KB India Rail	Mr. Ludwig Otter & Mr. Leonid Ovchinnikov
KB India CVS	Mr. Ludwig Otter & Mr. Kaushalya Gaonkar
TCI	Mr. Ludwig Otter & Mr. Arunkumar Bhat

ii. Responsibilities/Functions of CSR Committee (Section 135(3) Companies Act 2013 and Rule 4 - Companies (CSR Policy) Rules, 2014:

1. Formulate CSR Policy and recommend to Board of Directors.
2. Recommend the CSR Budget
3. Monitor CSR Implementation
4. Recommend Annual Action Plan to Board

iii. CSR Committee Meeting Requirements

1. **Frequency of Meetings:**
 - There is no specific frequency mentioned in the law, but the CSR Committee should meet **as required** to discuss and review CSR activities and expenditures.
2. **Quorum:**
 - A **minimum of two members** of the CSR Committee should be present to constitute a quorum.
3. **Minutes and Records:**
 - The minutes of the CSR Committee meetings must be recorded and signed, and the decisions must be reported to the **Board of Directors**.
4. **Board Approval:**

¹ Net Worth = Share Capital + Free Reserves of the company

- The CSR policy and other related matters discussed in the CSR Committee meetings must be presented to the **Board of Directors** for approval.

Thus, while the **CSR Committee** must meet as needed, it must comply with quorum requirements and document decisions for board reporting.

iv. Responsibilities/Functions of Board of Directors:

CSR is a Board driven process. The Board's primary duties are to approve the CSR policy, allocate funds for CSR, oversee activities, ensure compliance, and report CSR actions and expenditure transparently. The BOD is legally accountable for CSR compliance under **Section 135** of the Companies Act, 2013, and related **CSR Rules, 2014**

1. Approve the CSR policy (recommended by CSR Committee) and disclose same on the Company's website.
2. Allocation of CSR Expenditure and ensure that the Company spends in every financial year the prescribed 2% of average net profits over last 3 years.
3. Monitoring CSR activities and ensure that the CSR implementation is as per CSR Policy.
4. Ensure utilization of disbursed CSR funds is appropriate.
5. If the Company fails to spend, specify the reasons in Board Report and transfer the Unspent CSR Amount to a separate bank account.
6. Responsible for CSR compliance and signing of CSR Return.

v. Delegation of Power from Board of Directors to CSR Committee:

Through passing Board Resolution, the following power could be delegated by the Board of Directors to CSR Committee:

Scope: The power to approve any modifications, changes, or adjustments to the approved CSR projects, including but not limited to alterations in project scope, budget adjustments, or the addition/removal of projects, provided such changes are in line with the Company's CSR policy and statutory requirements and subsequently the following procedures shall be followed:

1. The CSR Committee shall report any significant modifications or updates to the Board for record-keeping and review during subsequent Board meetings.
2. The CSR Committee of the Board shall periodically review the progress of the approved CSR projects and report the status to the Board.

vi. Benefits of the above Delegation of Power

1. Increased Efficiency & Agility

- The CSR Committee can make timely decisions on project modifications without waiting for full Board approval, allowing for **quicker implementation** of changes, if any during currency of CSR Project.
- Enables **faster response** to unforeseen challenges, budget reallocations, or urgent social needs.

2. Strategic Oversight & Governance

- The Board retains **ultimate oversight** while delegating operational decisions, ensuring compliance with **CSR policy and statutory requirements**.
- Significant modifications still require **reporting to the Board**, maintaining transparency and accountability.

3. Improved Project Monitoring & Accountability

- The CSR Committee will now have **increased responsibility** for tracking and reviewing project performance.
- **Periodic status reporting** to the Board ensures that projects align with the company's CSR objectives.

4. Potential Risk & Control Measures

- While delegation improves efficiency, it requires **strong governance mechanisms** to prevent misalignment with CSR goals or regulatory issues.
- Hence, the delegation proposed ensures that the **CSR Committee operates within defined limits**, avoiding excessive autonomy that could lead to compliance risks.

vii. Summary – CSR Implementation by KBGCI (*detailed process set out below*)

KBGCI will act as the Nodal CSR Program Management Partner for CSR activities on behalf of KB group companies in India. A formal MoU and/or CSR Funding Agreement will be signed with each KB Operating Entity to define project scope, budget, and responsibilities.

KBGCI will manage project implementation, directly or through eligible partner NGOs, and provide regular fund utilization and progress reports to ensure compliance with CSR laws.

As a group-level operational NGO, KBGCI will represent KB's CSR efforts across India, not limited to any one location. This central approach offers benefits such as transparent fund flow, streamlined coordination, and effective monitoring of partner NGOs.

#	ACTIVITY	WHEN	LATEST BY		PROPOSED RASCI RESPONSIBILITY METRICS (Responsible, Accountable, Supportive, Consulted, Informed)					REMARK
					Entity CS	Entity Legal	Entity FICO	Entity Board/ CSR Committee	KBGCI	
1)	Convene Board Meeting for Formation of CSR Committee ¹	One time / At the beginning of the financial year	-	R/ A	S		C	I	I	Already in place for KBI Rail, KBI CVS & TCI
2)	Convene CSR Committee Meeting for CSR Policy formulation & confirmation of recommendation to the Board	One time / amend when required	31 Jul	R/A	S/C		I	I	S	Support from KBGCI to ensure the thematic domains of interventions are updated per overall vision/ mission
3)	Convene Board Meeting for CSR Policy approval	One time / amend when required	31 Jul	R/ A	C		I	I	S	
4)	Inform the projected annual CSR Budget for project/ activity initiation by Q2 ²	Annually for every financial year	30 May	I	I	R/ A		I	I	Up to 60% of the projected entity-wise CSR Outlay may be utilized for CSR project implementation up to Q2, pending approval of the final CSR Budget based on the audited financial statements.

¹ If a company's CSR spending/budget is **below ₹50 lakh**, it is **not required to form a CSR committee**, and the functions of the CSR Committee shall be discharged by the Board of the Company.

² Stands for Quarter 2 (July to September) of the target financial year

(#)	ACTIVITY	WHEN	LATEST BY	PROPOSED RASCI RESPONSIBILITY METRICS (<u>R</u> esponsible, <u>A</u> ccountable, <u>S</u> upportive, <u>C</u> onsulted, <u>I</u> nformed)						REMARK
				Entity CS	Entity Legal	Entity FICO	Entity Board/ CSR Committee	KBGCI		
5)	Identify and finalize CSR Projects/ Activities for Q2/ till receiving final audited CSR Outlay	Annually for every financial year	31 Jun	I	I	I		A	R	Up to 60% of the projected entity-wise CSR Outlay may be utilized for CSR project implementation up to Q2, pending approval of the final CSR Budget based on the audited financial statements.
6)	Convene CSR Committee & Board Meeting to approve CSR Projects for Q2 ³ , pending finalisation of the final CSR Outlay based on the audited financial statements.	Within 15 days of approval of the last set of CSR Projects/ activities for each company	30 Jul	R/A				I	S	(*) Timeline has been mentioned for the first set of CSR project/s / activities. Timeline is indicative for the initial approval cycle. Additional CSR Committee and Board approvals may be obtained during Q2, as required, for subsequent CSR projects/activities.

³ Stands for Quarter 2 (July to September) and Quarter 3 (October to December) of the target financial year

(#)	ACTIVITY	WHEN	LATEST BY		PROPOSED RASCI RESPONSIBILITY METRICS (<u>R</u> esponsible, <u>A</u> ccountable, <u>S</u> upportive, <u>C</u> onsulted, <u>I</u> nformed)					REMARK
				Entity CS	Entity Legal	Entity FICO	Entity Board/ CSR Committee	KBGCI		

7)	CSR Project Launch and Implementation for Q2 /: - Preparation of final draft of CSR Funding Agreement (if applicable) with KBGCI and/or MOUs with KBGCI /other Implementing Agencies, as appropriate.⁴ - Signing of CSR Funding Agreement (if applicable) / MOU with KBGCI / other CSR Implementing Agencies, as required. - Commence CSR projects and utilize funds by execution of CSR Funding Agreement (if	Quarterly for every financial year	31 Sept		C	I	A	A	R	Applicable for CSR projects commencing from Q2 onwards, with subsequent projects to follow the same approval process through scheduled Entity Board meetings.
----	---	------------------------------------	---------	--	---	---	---	---	---	---

⁴ If KBGCI is proposed to act as the implementing agency for the CSR project, then in addition to being registered as an eligible implementing agency under applicable law, KBGCI will be required to:

- Enter into a Memorandum of Understanding (MoU) and/or CSR Funding Agreement with KB Company for implementation of the CSR project; and
- Provide regular reports and updates to KB Company to enable it to fulfill its statutory obligations under applicable CSR law

(#)	ACTIVITY	WHEN	LATEST BY	PROPOSED RASCI RESPONSIBILITY METRICS (<u>R</u> esponsible, <u>A</u> ccountable, <u>S</u> upportive, <u>C</u> onsulted, <u>I</u> nformed)						REMARK
				Entity CS	Entity Legal	Entity FICO	Entity Board/ CSR Committee	KBGCI		
	applicable) or MOU with KBGCI (Nodal CSR Program Management Partner), as required and/or other CSR Implementing Partners for project implementation									
8)	Confirm the final annual CSR Outlay & Inform KBGC e.v.	Within 15 days of finalization of financial statements	15 Oct	I	I	R/A		I	I	
9)	Identify and finalise CSR projects for Q3 and Q4 ⁵ post receipt of the final CSR outlay, in addition to the initial set of approved and launched projects (refer Steps 5–8)	Within 2 months of intimation of CSR Budget	15 Feb	I	I	I	I	A	R	This step may be repeated for subsequent CSR projects/ activites until the approved CSR outlay for the financial year is fully allocated.
10)	Convene CSR Committee & Board Meeting (or written resolution in lieu to) to secure Approval for	Within 15 days of receipt of project/s brief from KBGCI	28 Feb	R/A				I	S	

⁵ Stands for Quarter 3 (October to December) and Quarter 4 (January to March) of the target financial year

(#)	ACTIVITY	WHEN	LATEST BY		PROPOSED RASCI RESPONSIBILITY METRICS (Responsible, Accountable, Supportive, Consulted, Informed)					REMARK
				Entity CS	Entity Legal	Entity FICO	Entity Board/ CSR Committee	KBGCI		

	Q3/Q4 Projects/ Activities, in line with recommended amount of expenditure to be incurred on CSR activities (by KBGCI)									
11)	CSR project launch and execution for Q3 and Q4 projects - Preparation of final draft of CSR Funding Agreement (if required) and/or MOUs with KBGCI /other Implementing Agencies⁶ - Signing of CSR Funding Agreement (if required) and/or MOU with KBGCI / other CSR Implementing Agencies	Statutory Deadline: 31 Mar	31 March		C	I	A	A	R	Marks the first project/s for Q3/ Q4 of the financial year; subsequent project/s will follow the same approval process through scheduled Entity Board meetings.

⁶ If KBGCI is proposed to act as the implementing agency for the CSR project, then in addition to being registered as an eligible implementing agency under applicable law, KBGCI will be required to:

- Enter into a Memorandum of Understanding (MoU) and/or CSR Funding Agreement with KB Company for implementation of the CSR project; and
- Provide regular reports and updates to KB Company to enable it to fulfill its statutory obligations under applicable CSR law

#	ACTIVITY	WHEN	LATEST BY		PROPOSED RASCI RESPONSIBILITY METRICS (Responsible, Accountable, Supportive, Consulted, Informed)					REMARK
				Entity CS	Entity Legal	Entity FICO	Entity Board/ CSR Committee	KBGCI		
	Commence CSR projects and utilize funds by execution of MOU with KBGCI (Nodal CSR Program Management Partner) and/or other CSR Implementing Partners for project implementation									
12)	Convene Board Meeting (or written resolution in lieu to): - Approve final CSR spend for target financial year - Open separate "Unspent CSR Bank Account"	Within 15 days of approval of the last set of CSR Projects/ activities for each company	Mar 15 th	A		R		I	I	
13)	Ensure full utilization of amount disbursed to KBGCI / Implementing partners. Unutilized amount, if any, required to be taken back from KBGCI / Implementing Partners	Deadline: 31 Mar	28 Mar	I	I	A		R	R	

#	ACTIVITY	WHEN	LATEST BY		PROPOSED RASCI RESPONSIBILITY METRICS (Responsible, Accountable, Supportive, Consulted, Informed)					REMARK
					Entity CS	Entity Legal	Entity FICO	Entity Board/ CSR Committee	KBGCI	
14)	Disclose on the website of each Company - CSR Policy - Annual Action Plan - CSR Committee Composition	Statutory Deadline: 31 Mar	31 Mar	R/A			I	I	I	Additionally, the IT team will also be responsible for the same
15)	Transfer CSR Fund to the Unspent CSR Bank Account and spend within 3 years (i.e., on or before March 31, 2028) & Transfer to KBGCI and/or other CSR Implementing Partner	Statutory Deadline: 30 Apr (within 30 days of the end of financial year)	15 Apr	I		R/A	I	I	I	
16)	Monitor progress of CSR Projects	After execution of MOU & transfer of funds	During project duration	I/C			I	A	R	Statutorily CSR Committee of each Company. In practice, monitoring / Implementation is routed through KBGCI&CSR Manager
17)	Obtain Status Report and Utilization Certificate from CSR Implementing Partners	Before the next instalment payment to CSR Implementing Partners	As per the MOU	I		R	A	A	R	Entity FICO/Board (R/A) for KBGCI UCs; KBGCI (R/A) for other implementation partner UCs.

(#)	ACTIVITY	WHEN	LATEST BY		PROPOSED RASCI RESPONSIBILITY METRICS (Responsible, Accountable, Supportive, Consulted, Informed)					REMARK
				Entity CS	Entity Legal	Entity FICO	Entity Board/ CSR Committee	KBGCI		

18)	Convene Board Meeting (or written resolution in lieu) - to take note of the CFO/ Finance-in charge certificate regarding utilization of CSR Fund	After closure of financial year on 31 Mar	June 30	I		S	R/A	I	I	
#	Obtain Certificate of Capital Assets from CSR Implementing Partners	After closure of financial year on 31 Mar	June 30	I			I	R	R	
19)	Prepare & finalize Board's Report & CSR Annual Report (forming part of the Board's Report)	Statutory Deadline: 21 clear days before the AGM	31 Aug	R/A		C	I		S	KBGCI support for project-wise Board and Annual Report data
20)	Engage independant agent for Impact Assessment Audit against CSR activities and issue Impact Assessment Report for the company	Impact Assessment Report needs to be finalized for noting by the Board at least 21 clear days before the AGM	31 Aug					A	R	
21)	Convene Board Meeting (or written resolution in lieu) to approve: - Board's Report - CSR Annual Report	Statutory Deadline: 21 clear days before the AGM	31 Aug	R/A				I	S	

(#)	ACTIVITY	WHEN	LATEST BY		PROPOSED RASCI RESPONSIBILITY METRICS (<u>R</u> esponsible, <u>A</u> ccountable, <u>S</u> upportive, <u>C</u> onsulted, <u>I</u> nformed)					REMARK
				Entity CS	Entity Legal	Entity FICO	Entity Board/ CSR Committee	KBGCI		

	- Impact Assessment Report Also to approve transfer of the unspent CSR Fund to a Government Prescribed Fund specified under Schedule VII of the Companies Act, 2013 (e.g., PM National Relief Fund) <u>in case of the following circumstances:</u> - When unspent CSR Fund is not pertaining to “Ongoing Projects”⁷ - When the Company fails to spend CSR Fund (as per approved Annual Action Plan) on “Ongoing Projects” within 3 years									
--	--	--	--	--	--	--	--	--	--	--

⁷ **“Ongoing Projects”** means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

(#)	ACTIVITY	WHEN	LATEST BY		PROPOSED RASCI RESPONSIBILITY METRICS (Responsible, Accountable, Supportive, Consulted, Informed)					REMARK
				Entity CS	Entity Legal	Entity FICO	Entity Board/ CSR Committee	KBGCI		

22)	Convene AGM (or written resolution in lieu) to approve: - Board’s Report - CSR Annual Report - Impact Assessment Report	Statutory Deadline: 30 Sep	30 Sep	R/A				I	I	
23)	Prepare & file to ROC the financial statements in Form AOC-4 (XBRL)	Statutory Deadline: 30 days after completion of AGM	30 Oct (within 30 days from AGM date)	R/A		R/A			S	
24)	Prepare & file to ROC the Form CSR-2 (CSR Report) with spending details for last financial year	Statutory Deadline:After filing of Form AOC-4 (XBRL) (Refer Co. (Accounts) Amendment Rules	31 Dec	R/A			I			
25)	Open seporate “Unspent CSR Bank Account” based o7 Board Resolution	Within 30 days Board Resolution	15 Jan	R		R	A	I	I	