

Kanchi Karpooram Limited

Corporate Social Responsibility (CSR) Policy

At the outset, CSR activities at the Company is already in existence for the benefit of the employees and their immediate family members in the areas of extending loan to employees, participation at festivals etc.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability.

Further, CSR makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

Objective

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. The Company will act as a good corporate citizen and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

Definitions

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re-enactments thereof.

3.1 "Act" means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

3.2 "Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: Significant influence means control of at least 20% of total share capital or of business decisions under an agreement

3.3 "Average Net Profit" means profit calculated as per Section 198 of the Companies Act, 2013

3.4 "Board" means the Board of Directors of the Company.

3.5 "Board's Report" shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

3.6 "Company" means Kanchi Karpooram Limited

3.7 "CSR" means Corporate Social Responsibility.

3.8 "CSR activities" means the activities or projects or programmes as recommended by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas falling under the Schedule VI to the Companies Act, 2013

3.9 "CSR Committee" means the Committee of the Board constituted under section 135 of the Act for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.

3.10 "CSR Policy" means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

3.11 "CSR Rules" means Companies (Corporate Social Responsibility) Rules, 2014.

3.12 "Independent Director" means a non-executive director of the Company within the meaning of section 2(47) of the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations 2015

3.13 "Holding Company" means a Company within the meaning of section 2(46) of the Companies Act, 2013.

3.14 "Net profit" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act but shall not include the following namely

(i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and

(ii) any dividend received from other Companies in India, which are covered under and complying with the provisions of section 135 of the Act.

3.15 “SEBI” means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992.

3.16 “Subsidiary Company” means a Company within the meaning of section 2(87) of the Companies Act, 2013

Organizational mechanism and responsibilities

Constitution of Corporate Social Responsibility Committee

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board (“CSR Committee”) consisting of three or more directors, out of which at least one director shall be an independent director.

The CSR Committee shall –

1. Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities; and
3. Monitor the Policy of the company from time to time.

The Board of the company shall after taking into account the recommendations made by the CSR Committee, approve the policy for the company and disclose contents of such Policy in its report and also place it on the company’s website and ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.

The Company provide the vision under the leadership of its Managing Director, Mr. Suresh Shah .

At the Company, the Managing Director takes on the role of the mentor, while the onus for the successful and time bound implementation of the CSR activities/projects is on the CSR teams.

Measures

In the aforesaid backdrop, policy on CSR of the Company Limited is broadly framed taking into account the following measures:

The CSR activities shall be undertaken by the Company as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

The CSR activities which are exclusively for the benefit of the Company employees or their family members shall not be considered as CSR activity.

the Company shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.

The Board of the Company may decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

Corporate Social Responsibility Committee and Activities

The Company has constituted Corporate Social Responsibility Committee (“the Committee”) comprising of following 3 Directors out of which one Director is an Independent Director:

S.No	Name of the Director	Designation	Role in the Committee
1	Mr. Suresh V Shah	Managing Director	Chairman of the Committee
2	Mr. Dipesh S Jain	Whole-time Director	Member of the committee
3	Mr. Narasimhan Raghu	Independent Director	Member of the committee

The Company Secretary of the Company shall be the Secretary to the Committee and the Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors

of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

The following is the list of CSR projects or programs which the Company plans to undertake pursuant to Schedule VII of the Companies Act, 2013:

(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;

(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 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) contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.

(x) rural development projects

(xi) slum area development.

Explanation.- For the purposes of this item, the 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.

Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

Activities, setting measurable targets with timeframes and performance management

Prior to the commencement of CSR activities/projects, the Company may carry out a baseline study of the nearby area/villages of the Company's factory location.

The study shall encompass various parameters such as – health indicators, literacy levels, sustainable livelihood processes, and population data – below the poverty line and above the poverty line, state of infrastructure, among others.

From the data generated, a 1-year plan and a 5-year rolling plan shall be developed for the holistic and integrated development of the affected people.

All activities/projects of CSR shall be assessed under the agreed strategy, and are monitored every quarter/year, measured against targets and budgets. Wherever necessary, midcourse corrections shall be made.

Budgets

A specific budget shall be allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.

In case the Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.

Approving authority for the CSR amount to be spent will be the Board of Directors of the Company after due recommendation of CSR Committee.

The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

CSR expenditure shall include all expenditure including contribution to corpus ("corpus" here means the a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under which may be formed for the purpose), for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

Monitoring the CSR Policy

CSR Committee shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company and report to the Board on a regular basis the progress of CSR activities.

Information dissemination

The Company's engagement in this domain is disseminated on its website, annual reports and its house journals as and when deem fit.

Management Commitment

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Compliance with Companies Act, 2013

Our Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India.

Conclusion

CSR Policy is subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.

The Board may review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary