

Corporate Social Responsibility (CSR) Policy of Kalyani Investment Company Limited

1. PHILOSOPHY:

At Kalyani Investment, Corporate Social Responsibility (“**CSR**”) has evolved with the simple objective of ‘**giving back to the society**’. We believe CSR is a close integration of the community’s economic, environmental and social aspirations with the Company’s business goals and objectives. We are, therefore, committed to integrate CSR with our business processes for sustainable growth and development. We would like to emphasize our initiatives in specific areas of social development that would include primary, secondary and tertiary education, skills development, vocational training, health & hygiene, sustainability, environment and ecological protection, character building by providing training opportunities in sports and cultural activities etc. We believe our initiatives in these areas would continue to contribute significantly to the overall welfare of the community and make a difference in living standards of the community.

2. OBJECTIVE:

Kalyani Investment is proud of being a socially responsible corporate citizen. We would like to further scale-up our CSR activities through the initiatives aimed at improving the lot for needy, deprived and marginalized sections of the society including economically deprived children, women and senior citizens. We propose to empower them to effectively participate in unfolding social and economic opportunities so that they can be an integral part of the mainstream of growth and development. We would strive to achieve total inclusiveness by encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from our CSR initiatives which would also be focused around communities that reside in the proximity of our company’s registered office in the country.

3. VISION:

At Kalyani Investment, we believe in giving back to the society in some measure what we have gained from it. We are therefore committed to address issues relating to child welfare, women empowerment and safety and security of senior citizens etc. through our various initiatives which will lead to protection of environment, health & hygiene and skill education on sustained basis for society as a whole.

4. DEFINITIONS:

In this policy, unless the context otherwise requires,

- a. “**Act**” means the Companies Act, 2013 and rules made thereunder (as amended);
- b. “**Corporate Social Responsibility (CSR)**” means and includes;-
 - i) Projects or programs relating to activities specified in **Schedule VII** to the Act;
or
 - ii) Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company subject to condition that such policy shall cover subjects enumerated in Schedule VII of the Act.

5. AREAS TO BE COVERED FOR CSR:

The Company will consistently explore and undertake CSR Projects or programs relating to the activities in any of the fields enumerated below with a preference to carry on such activities within the local area(s) around it, wherever it operates:

- a. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d. 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;
- e. 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 arts and handicrafts;
- f. measures for the benefit of armed forces veterans, war widows and their dependents;
- g. training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- h. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- i. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j. rural development projects.
- k. Support and promote development of entrepreneur from socially and economically backward class.

6. ORGANISATIONAL MECHANISM AND RESPONSIBILITY:

- a. CSR programmes / projects as may be identified by the Management within the framework of CSR areas mentioned in 5 above shall be required to be put-up to the CSR Committee for every financial year.
- b. Thereupon, the CSR Committee shall recommend the CSR projects / programs, specifying modalities of its execution and the amount of expenditure to be incurred on the Projects / programs. Upon recommendations of the CSR Committee, the Board shall approve such CSR projects / programs and the amount of expenditure.

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- c. The CSR Committee shall appoint person/(s) i.e. project heads, who shall be responsible for ensuring the compliance in their area of responsibility in terms of related CSR projects/programs.
- d. The Board shall ensure to spend in every financial year, 2 (two) per cent of average net profits of the Company made during the 3 (three) immediately preceding financial years in pursuance of this policy, as per the related provisions under the Act and rules thereunder. CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating CSR activity areas mentioned in this policy at 5 above.
- e. Appropriate documentation of the CSR Policy, annual CSR activities, executing partners, and expenditure entailed shall be undertaken on a regular basis.
- f. Compliance with these policy including following of implementation schedules for such CSR projects / programs shall be periodically monitored by CSR Committee subject to the review by the Board of Directors from time-to-time.
- g. For meeting the requirements arising out of immediate & urgent situations with regard to formulated CSR projects / programs, the Chairman is authorised to approve such proposals in terms of the empowerment accorded to him by the CSR Committee.
- h. The contents of the Policy and Annual Report on CSR activities to be included in the Board Report and shall also be placed on the Company's website – www.kalyani-investment.com as per the particulars specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- i. Any surplus arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company

7. IMPLEMENTATION:

- a. The time period/duration over which a particular programs/ projects shall be spread over, shall depend on its nature, extent of coverage and the intended impact of the program/project.
- b. The investment in CSR shall be project based and for every project time period, periodic milestones shall be finalized by CSR Committee from time to time in consultation with the related project head.
- c. Programs which involve considerable financial commitment and should be undertaken on a general timeframe of 2-5 years.
- d. Project activities identified under CSR are to be implemented either by personnel of the Company or through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013 or otherwise or by specialized agencies nominated by CSR Committee from time to time.
- e. Such specialized agencies would include Section 8 Companies, Voluntary Organizations (VOs) formal or informal Elected local bodies such as Panchayats, Institutes/Academic Institutions, Registered Trust / Society, Self Help Groups, Government/Semi Government/Autonomous organisations, Mahila Mandals, Professional Consultancy organization etc.

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- f. If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of at least three years in undertaking similar programs or projects.
- g. Specialised agencies and personnel authorized in this regard could be made to work singly or in tandem with other agencies. The Company to specify the project to be undertaken by such entity and modalities of utilization of funds for such projects with implementation schedules, monitoring and reporting mechanism.
- h. Total expenditure of building CSR capacities of the Company's personnel as well as their implementing agencies, having established track records of atleast three years, shall not exceed 5 (five) percent of total CSR expenditure of the Company in one particular financial year.
- j. A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended).

8. GENERAL

- a. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Chairman of the Company shall be final.
- b. Any or all provisions of the CSR Policy would be subject to revision/amendment in consultation with CSR Committee and in accordance with the guidelines on the subject as may be issued by the Government, from time to time.
- c. The Company reserves its right to modify, cancel, add, or amend any of these Rules. However, this policy, in whole or in part, shall stand modified / amended from time-to-time, without any further act on the part of the Company, as and when there would be any statutory modification(s)/ amendment(s) / revision(s) to the applicable provisions thereto.

In case any difficulty or doubt arises in the interpretation of this Corporate Social Responsibility Policy, the decision of the Chairman of the Board of Directors shall be final.

[As approved by the Board of Directors of Kalyani Investment Limited at its meeting held on 29th May, 2014]

For Kalyani Investment Company Limited,

Sd/-

Amit B. Kalyani
Chairman