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Corporate Social Responsibility Policy

CSR builds a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit. Over time it has become an integral part of business. The focus areas on which the company would initially concentrate on spending requisite fund of the Company are eradication of hunger, promotion of education, environmental sustainability, socio-economic development and rural development.

1. SHORT TITLE & APPLICABILITY

This policy, which encompasses the company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "**Kalpena Industries Limited CSR Policy**". It has been prepared keeping in mind the company's business ethics and to comply with the requirements of Companies Act, 2013(hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs vide Notification dated 27th February, 2014.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

2. CSR VISION STATEMENT & OBJECTIVE

To succeed, an organization must maintain highest standards of corporate behavior towards its employees, customers, various stakeholders and society, in which it operates.

Corporate Social Responsibility is a form of corporate self regulation integrated into a business model.

CSR Vision– Providing assistance in the development of weaker sections of the society, promoting health care and zeal of education in every spirit and ensuring environmental sustainability.

3. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition:

Keeping in line with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, The Corporate Social Responsibility Committee was formed by the Board of Directors consisting of four Directors amongst whom one is an Independent Director.

Meetings:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least four meetings in a financial year.

Quorum:

The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

Sitting Fee:

The Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors.

Role of CSR Committee:

The role of CSR Committee is:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.

- d. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for the company and disclose its contents in their report and also publish the details on the Company's website, if any, in such manner laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014

The Board of Directors shall endeavor that the Company spends 2% of the average pre tax net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

4. RESOURCES FUNDING & ALLOCATION

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down in this Policy. CSR expenditure shall include all expenditure including projects or programs relating to CSR activities as per CSR policy, but does not include any expenditure on an item not in conformity with the CSR Policy.

3. ACTIVITIES, PLANNING & IMPLEMENTATION

Areas for Activities

The Company shall identify projects / activities which will fall in any one or more of the following areas / sector for its CSR spending:

- In Health Care, our activities relate to:
 - (a) Eradicating hunger, poverty and malnutrition.
 - (b) Promoting preventive health care and sanitation.
 - (c) Making available safe drinking water.
- In Education, our endeavour is to spark the desire for learning and knowledge at every stage through:
 - (a) Promoting Education (including special education),
 - (b) Employment Enhancing Vocation Skills especially among children, women, elderly and differently abled.
 - (c) Livelihood Enhancement Projects.
- In Sustainability, we aim at maintaining environment sustainably through:
 - (a) Maintaining ecological balance and ensuring environmental sustainability.
 - (b) Protection of flora and fauna, animal welfare.

- (c) Developing agro-forestry.
- (d) Conservation of Natural Resources
- (e) Maintaining quality of soil, air and water.

- In Socio-Economic Development, our endeavour is to:
 - (a) Contribution to Prime Minister's National Relief Fund or any other Fund set up by the Central Government for socio-economic development.
 - (b) Relief and welfare of the Scheduled Castes, Scheduled Tribes, Other Backward Classes, Minorities and Women.
- Implementation of Rural Development Projects.
However, following shall not be included in the CSR Activities:
 - Any activities undertaken in pursuance of its normal course of business.
 - Any contribution made by the company of any amount directly or indirectly to any political party Under Section 182 of the Act.
- The CSR projects or programs or activities that benefit exclusively for the employees of the company and their families shall not be considered as CSR activities in accordance with this policy.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

The CSR projects or programs or activities undertaken by the company as per Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act.

The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and areas where the Company operates.

All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR committee, which would then be placed before the forthcoming CSR committee for noting and record. The Chairman will ensure that the expenses/contribution and donation will be in full compliance of the CSR Policy.

4. IMPLEMENTATION & MONITORING OF ACTIVITIES

The Committee might take the assistance and guidance of senior personnel of the company/ outside agency for the purpose of monitoring the progress/fund utilization.

The Committee also authorized the Chairman to take effective steps from time to time as necessary, in relation to Corporate Social Responsibility activities.

5. DISPLAY OF CSR ACTIVITIES & INITIATIVES

The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report in compliance with Section 135 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and the same shall be displayed on the company's website.

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 Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines issued by the Government from time to time.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.