

## **KDDL- Corporate Social Responsibility Policy**

The Board of Directors (the “Board”) of KDDL Limited (the “Company” or “KDDL”) acting upon the recommendation of its Directors and the Corporate Social responsibility Policy Committee (the “Committee”), has adopted the following policy and procedures with regard to the Company’s Social Responsibility:

### **❖ Corporate Social Responsibility Philosophy:**

KDDL strives to be a Socially Responsible Company and strongly believes in development which is beneficial for the society at large. As a Corporate Citizen receiving various benefits out of society, it is the Company’s co-extensive responsibility to pay back in return to the society by helping less privileged people by providing foods, clothes, etc., education and health, keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, providing for skill enhancement for increasing productivity and so on. It is the Company’s intent to make a positive contribution to the society in which the Company lives and operates, and beyond to humanity in need recognizing the oneness of large human family.

### **❖ Policy Objective:**

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

### **❖ List of Activities/Projects:**

The Company shall undertake and/or support any of the following Activities/Projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”):

- i. Eradicating hunger, poverty and malnutrition, promoting health care and sanitation and making available safe drinking water; providing financial and medical supports to the needy and poor persons for curing the life threatening diseases and human disabilities.
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the disabled and livelihood enhancement projects;
- iii. Promoting gender equality, 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;

- iv. Protection of national heritage, art and culture including restoration of works of art; setting up public libraries;
- v. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vi. Training to promote rural sports, nationally recognized sports, Paralympic and Olympic sports;
- vii. Ensuring environmental sustainability, ecological balance, animal welfare, conservation of natural resources and maintaining quality of soil, air and water;
- viii. promotion and development of traditional arts and handicrafts;
- ix. Contribution to the Prime Minister's National Relief Fund or any other fund for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- x. Rural development projects;
- xi. Any other activities in relation to the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time. (Collectively hereinafter referred to as "CSR Activities")

The CSR Activities shall be undertaken only in India for the benefit of the public and not for the employees of the Company and their families. It is further provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

❖ **Quantum of Amount to be spent on CSR Activities:**

- i. The Company shall strive to spend in every financial year at least 2% (two percent) of the average net profits of the Company made during the three immediately preceding financial years.
- ii. Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

❖ **Implementation of CSR Activities:**

- i. The Company may undertake CSR Activities directly or indirectly through a registered trust or society or any company established under Section 8 of the Act for CSR objectives and may give donations to such entities for undertaking CSR activities in any financial year on the recommendation of CSR Committee. Any activity done or fund spent so far during the current financial year on the CSR activities will also be considered as part of the minimum CSR Budget to be spent during the year. (2% of the Average profits of last three years)
- ii. The Company may also collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the “Rules”).
- iii. The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.
- iv. The Company shall not make any payment directly or indirectly to Political Party (ies) for CSR Activities.

❖ **Procedure for CSR Activities**

- i. The Committee shall recommend to the Board the financial expenditure for undertaking various CSR Activities ;
- ii. The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
- iii. The Committee will meet from time to time to review and monitor the CSR spending, submit the half-yearly report giving status of the CSR Activities undertaken, expenditure Incurred as on date of report and such other details as may be required by the Board.

❖ **Role of the Committee:**

The Committee shall carry out of the following functions:

- (a) Recommend the CSR Policy to the Board;

- (b) Identify the projects/activities to be undertaken by the Company for CSR
- (c) Recommend to the Board CSR Activities to be undertaken along with detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- (d) Monitor the CSR Policy of the Company from time to time;
- (e) Ensure compliance of CSR Policy and the Rules;
- (f) Over see the financial reporting system of the CSR activities and ensure that it is as per law.
- (g) Every few years conduct an impact analysis of the expenditure incurred on CSR.
- (h) Prepare and submit an annual report on the CSR activities to the board.
- (i) Such other functions as may be delegated and/or assigned by the Board from time to time.

❖ **Miscellaneous:**

- 1 The CSR Committee can amend/modify the list of activities, projects or monitoring mechanism relating to implementation of CSR Policy of the Company during the year.
- 2 The CSR Committee shall follow the applicable guidelines for accounting of the CSR expenditures as per rules and regulations prescribed by the Ministry of Corporate Affairs or any other statutory authorities in this regard.
- 3 The CSR spending by the company will also include any Capital expenditure to be incurred for implementing the CSR objectives
- 4 The CSR spending by the company will also include payments made to organizations covered under Section 35AC and 80G of the Income Tax Act 1961.

Words and expressions used and not defined in this Policy shall have the same meanings respectively assigned to them in the Act and the Rules.

**P.S.**

**Approved by Directors of the Company by way of Resolution passed by Circulation on 28<sup>th</sup> August, 2014.**