

Corporate Social Responsibility Policy

B.L. KASHYAP AND SONS LIMITED

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1. Concept

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also considering the social and environmental consequences. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing foods, clothes, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the Company operates.

2. CSR in India

CSR in India has traditionally been seen as a philanthropic activity. While the corporate houses have been traditionally engaged in doing CSR activities voluntarily, the new CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The new Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR to the forefront and through its "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

3. Policy Objective

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, self regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms. The main objective of this Policy is to set a 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.

This Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

The Company proposes to implement its CSR activities in various sectors stated hereunder:

- i. eradicating extreme hunger and poverty
- ii. promotion of education
- iii. promoting gender equality and empowering women
- iv. reducing child mortality and improving maternal health
- v. combating human immunodeficiency virus, acquired
- vi. immune deficiency syndrome, malaria and other diseases
- vii. ensuring environmental sustainability
- viii. employment enhancing vocational skills
- ix. social business projects
- x. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- xi. such other matters as may be prescribed

Any other area as may be prescribed by Schedule VII amended from time to time

The Company will review the sectors from time to time and make additions/deletions/clarifications to the above sectors.

In order to carry out the above stated activities in a structured manner and to streamline and provide more focus and direction to the activities undertaken by the Company in the its sphere, it is decided to formulate a policy on Corporate Social Responsibility (hereinafter described as "the Policy"). This policy has been prepared in line with the requirement of the Companies Act , 2013 (hereinafter described as "the Act")

4. CSR Committee

A. Composition:

The Corporate Social Responsibility Committee (CSR Committee) shall consist of three or more directors, out of which at least one shall be an Independent Director.

The Board at its meeting held on 28.05.2014, constituted a CSR Committee consisting of three Executive Directors and one Independent Director as Chairman of the Committee.

B. Role: The Committee inter-alia was entrusted the following task:

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval which shall indicate the activities as stated under Schedule VII of the Act
- (ii) Recommend the CSR Budget
- (iii) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- (iv) Create transparent monitoring mechanism for implementation of CSR Initiatives
- (v) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- (vi) Monitor CSR Policy from time to time

C. Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet as and when deemed necessary. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be two directors. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time.

The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting. Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.

5. Quantum of Amount to be spent on CSR Activities

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

ii. The Annual CSR Budget shall be spent on activities laid down in the Policy.

iii. 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.

iv. In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year.

6. Implementation of CSR Activities

i. The Company may undertake CSR Activities through a registered trust or society or any company, established by the Company, its holding or subsidiary Company under Section 8 of the Act for such non-for-profit objectives.

Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.

ii. The Company may 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 scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose.

iv. If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report.

v. The process for implementation of CSR programmes will involve the following steps:

Identification of programmes will be done by means of the following :

(a) Need identification Studies by the Senior Management/ professional institutions / agencies.

(b) Internal need assessment by cross-functional team at the local level.

(c) Receipt of proposals/requests from District Administration/local Govt. etc.

(d) Suggestions from the Board of Directors/senior management level.

7. Procedure for CSR Activities

- i. The Committee shall recommend the Board suitable CSR Activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- ii. The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
- iii. The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.

8. Disqualifying Activities for CSR

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

9. Allied Matters

- i. With regard to CSR activities, Boards Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014.
- ii. The Company shall display such particulars relating to CSR Policy and activities undertaken thereunder as stated under Companies (Corporate Social Responsibility) Rules, 2014.

10. CSR Monitoring and Reporting mechanism

The CSR Committee shall monitor the amount of expenditure as approved by the Board of the Company on quarterly basis and make report to the Board of Directors on half yearly basis. Apart from the above , the Director's report of the Company shall include an annual report on CSR containing the particulars in the prescribed format.

11. 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 Committee shall be final.

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

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