

# Corporate Social Responsibility Policy

## PROLOGUE

*Pursuant to Section 135 of the Companies Act, 2013 (hereinafter referred to as “the Act”), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to adopt a Corporate Social Responsibility (CSR) Policy which will lay down the focus areas for the Company’s CSR activities.*

*Although the Companies Act, 2013, introduced the concept of CSR relatively recently, the Company has been voluntarily conducting CSR activities for several years. The Company Philosophy, which was written by the founder of the Company, Mr Kalyan Kumar Nag, specifically mentions the responsibility that the Company has towards the community. In keeping with this philosophy, the Company has for many years been promoting and encouraging the economic, social and educational development of the villages situated around the Company’s factories.*

*Shown below is the CSR Policy of the Company.*

## RECOGNISED ACTIVITIES FOR THE PURPOSE OF CSR

The CSR Policy relates to the activities undertaken by the Company as specified in Schedule VII of the Act, and the expenditure thereon, and excludes activities undertaken in pursuance of the normal course of business of the Company.

The activities as specified in Schedule VII that can be undertaken by the Company to satisfy its CSR obligations are as follows:

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
- Promoting education, including special education and employment, enhancing vocational skills especially among children, women, the elderly and the differently-abled, and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and other such facilities for senior citizens; and measures for reducing inequalities faced by socially and economically backward groups;

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water;
- Protecting the country's national heritage, art and culture, including restoration of buildings and sites of historical importance and works of art; setting up of public libraries and promoting and developing traditional handicrafts;
- Taking measures for the benefit of armed forces veterans and their widows;
- Training and promoting rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- Contributing to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for the socio-economic development and relief and welfare of Schedule Castes, Scheduled Tribes, other backward classes, minorities and women;
- Contributing funds to technology incubators located within academic institutions which are approved by the Central Government;
- Undertaking rural development projects.

The following activities will not qualify as CSR activities:

- Activities that benefit only the employees of the Company and their families;
- Activities undertaken outside India;
- Contributions either directly or indirectly to any political party.

## **CSR COMMITTEE**

The Company has constituted a CSR Committee as per the provisions of Section 135 of the Act. The Committee consists of the following persons:

<b>SR. NO.</b>	<b>NAME OF PERSON</b>	<b>POSITION</b>
1.	Mr Milon K. Nag	Chairman and Managing Director
2.	Dr (Mrs) Shona M. Nag	Director

The responsibilities of the CSR Committee are as follows:

- To recommend the amount of expenditure to be incurred on CSR activities;
- To monitor the implementation of the CSR Policy of the Company from time to time;
- To provide all required inputs to undertake the CSR activities and to review the social initiatives from time to time;
- To periodically update the Board of Directors about the Company's CSR activities;
- To prepare an Annual Report on CSR activities which will be included in the Directors' Report.

### **STRUCTURE FOR CONDUCTING CSR ACTIVITIES**

- The Company may directly undertake CSR activities itself;
- The Company may also conduct CSR activities through registered trusts and non-profit organisations, or it may collaborate with other companies to undertake CSR activities in partnership with them.

### **OBLIGATIONS UNDER CSR RULES**

The Company is mandatorily required to spend at least 2% of the average Net Profit of the three years immediately preceding the current financial year on specified CSR activities.

“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:

- Any profit arising from any overseas branch or branches of the Company whether operated as a separate company or otherwise;
- Any dividend received from other companies in India which are covered under, and are complying with, the provisions of the CSR rules;
- Any surplus arising out of CSR programmes or activities shall not be counted as business profit of the Company.

The Board of Directors of the Company shall, after taking into consideration the recommendations of the CSR Committee, approve the CSR Policy for the Company and disclose the contents of the Policy in its Report. The CSR Policy will also be disclosed on the Company's website.

## **EFFECTIVE DATE OF POLICY**

This Policy will come into effect from 1 April, 2016.

## **REVIEW AND FUTURE AMENDMENT TO POLICY**

This Policy shall remain in force unless modified by the CSR Committee of the Company.

## **CONTACT**

Any queries pertaining to the Company's CSR Policy may be addressed to [cof@kknag.com](mailto:cof@kknag.com).

## **REVISION HISTORY**