

KAMDHENU LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

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KAMDHENU LIMITED

Corporate Identity Number: L27101HR1994PLC092205

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CORPORATE SOCIAL RESPONSIBILITY POLICY

BACKGROUND

In compliance with the requirements of Section 135 of the Companies Act, 2013 ("**the Act**") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, KAMDHENU LIMITED ("**Kamdhenu** or **the Company**") is, *inter alia*, required to:

- i Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility CSR Policy ("**CSR Policy**"), recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- ii Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

INTRODUCTION

Kamdhenu Corporate Social Responsibility (CSR) Policy is inspired by the words of its founder Mr.Satish Kumar Agarwal who said "What is that life worth which cannot bring comfort to others". While pursuing our business strategy of introducing products that give our consumers safety, reliability and satisfaction, Kamdhenu operates in a manner that not just continues to strengthen the wealth of the Company as well as of the shareholders, but also lending a helping hand to the community.

The content of this policy shall act as an approach and direction to be followed by the Company for selection, implementation and monitoring of its CSR activities as approved by the Board on recommendation of the CSR Committee from time to time.

OUR CSR VISION

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for our nation.

OUR CSR MISSION

Ensuring socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become SELF-RELIANT and build a better tomorrow for themselves.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR COMMITTEE")

COMPOSITION

The CSR Committee shall consist of three or more Directors amongst whom at least one shall be an Independent Director.

The Company Secretary shall act as the Secretary to the Committee.

MEETINGS

The CSR Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy.

ROLE AND RESPONSIBILITIES OF CSR COMMITTEE

1. The CSR Committee shall Formulate and recommend to the Board, an annual action plan of CSR Activities to be carried out during a financial year in pursuance of its Corporate Social Responsibility Policy which shall include the following, namely:-

- a) the list of CSR projects or programmes or activities that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) the manner of execution of such projects or programmes;
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the Financial Year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

2. The CSR Committee shall formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
3. The CSR Committee shall recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
4. The CSR Committee shall monitor the Corporate Social Responsibility Policy of the Company from time to time.
5. Any other agenda item as may be delegated by the Board of Directors to be reviewed/approved by the Committee from time to time.

If the Annual CSR statutory obligation does not exceed Rs. 50 lakh, the Board of the Company may dissolve the CSR Committee and shall discharge the above and/or such other roles and responsibilities, as may be required for the purpose of CSR.

DUTIES OF BOARD

1. On recommendation of the CSR Committee, the Board will approve the CSR Policy.
2. On recommendation of the CSR Committee the Board will approve the Annual Action Plan.
3. The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.
4. The Board shall obtain a certificate from Chief Financial Officer or the person responsible for financial management who will certify the same.
5. The Board shall monitor the implementation of the ongoing project with reference to the approved timelines and year-wise allocation and if required make modification for smooth implementation of the project within the overall permissible time period.
6. Review of impact assessment, if required.

CSR PROGRAMMES/PROJECTS

The CSR activities we pursue will be in line with our stated Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

In line with Section 135 read with Schedule VII of the Act thereto, Kamdhenu's CSR Activities (hereinafter "CSR Activities") The focus areas where special Community Development programs would be run are as follows:

Kamdhenu would focus the CSR activities around following thrust areas

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh

- set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
 - iii. 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;
 - iv. 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
 - v. 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;
 - vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
 - vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
 - viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
 - ix.
 - a. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector Undertaking or any agency of Central Government or State Government, and
 - b. contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies established under Department of Atomic Energy (DAE) ; Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and

Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)..

- x. rural development projects
- xi. slum area development.

Explanation - For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- xii. disaster management, including relief, rehabilitation and reconstruction activities.
- xiii. Any other activity(ies) specified by the Ministry of Corporate Affairs from time to time.

Further, the CSR Activities to be undertaken by the Company shall not include:

- a. Activities undertaken in pursuance of its normal course of business of the Company;
- b. Any activity undertaken by the company outside India excluding training of Indian sports personnel representing any State or Union Territory at national level or India at international level;
- c. The activities which are exclusively for the benefit of the Company employees as defined in clause (k) of Section 2 of the Code on Wages, 2019;
- d. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- e. Sponsorship activities supported by the Company for deriving marketing benefits for its products or services;
- f. Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

ONGOING PROJECT

“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the Financial Year in which it was commenced Unspent Amount and shall include the projects that was initially not approved as a multi-year projects but whose duration has been extended beyond one year by the board based on reasonable justification.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

CSR THROUGH REGISTERED TRUST, SOCIETY, OTHERWISE

The Board of Directors of the Company may decide to undertake CSR projects/programs/activities approved by the CSR Committee itself or through-

- a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or alongwith any other company, or
- b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or
- c) any entity established under an Act of Parliament or a State legislature; or
- d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Every entity, stated above, who intends to undertake any CSR activity, shall be registered with the Central Government by filing the form CSR-1 electronically with the Registrar, and get a unique CSR Registration Number.

The Company may engage organisations (including international organisations) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.

IMPLEMENTATION/SELECTION OF PROGRAMMES

- The CSR Committee shall provide guidance on the allocation of the CSR budget among the thrust areas on an annual basis and seek approval from the Board.
- The CSR Projects will be undertaken based on the annual action plan formulated and recommended by the CSR Committee and approved by the Board. The Board may alter the annual action plan at any time during the financial year, as per the

recommendation of the CSR Committee based on reasonable justification to that effect.

- The Company has set up the Kamdhenu Jeevandhara Foundation as a wholly-owned subsidiary company registered under Section 8 of the Companies Act, 2013 and registered under section 12A and 80G of the Income Tax Act, 1961 to promote and support CSR initiatives of the Company.

MONITORING/ EVALUATION MECHANISM AND ASSESSMENT

The CSR Committee shall monitor the CSR Policy of the Company from time to time.

The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR Projects or programmes or activities undertaken by the Company which shall include the following:

- a. A programme indicating the areas in which funds are to be spent during the year and a time schedule will be placed before the CSR Committee for consideration and recommendation to the Board of Directors. Action taken report will be placed before the CSR Committee from time to time.
- b. The Company shall ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and Chief Financial Officer will certify to the effect annually.
- c. The Company will further monitor the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

CSR FUNDING AND ALLOCATION

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2014 as amended from time to time.

If the company is having average CSR obligation of Rupees 10 crore or more in pursuance in the 3 immediately preceding financial years, the company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rupees

1 crore or more, and which have been completed not less than 1 year before undertaking the impact study.

SURPLUS OUT OF CSR FUND

1. If the company is having any surplus arising out of the CSR activities shall not form part of the business profit of a company.

Surplus is required to be ploughed back into the same project or transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of 6 months of the expiry of the financial year

TREATMENT OF UNSPENT AMOUNT

- a) Where unspent amount relates to projects other than on-going projects, Company shall transfer such unspent amount to a Prime Minister National Relief Fund or any other fund as may be specified in Schedule VII of the Companies Act, 2013 from time to time, within a period of six months of the expiry of the financial year.
- b) Where unspent amount relates to on-going projects, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account and such amount shall be spent/utilized by the company in pursuance to the activity within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

CARRY FORWARD AND SET OFF THE EXCESS CSR EXPENDITURE

If the company spends an amount in excess of the statutory obligation of CSR in a financial year may be set off against the requirement to be spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that-

- i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- ii. the Board of the Company shall pass a resolution to that effect.

ADMINISTRATIVE OVERHEADS

“**Administrative overheads**” means the expenses incurred by the company for ‘general management and administration’ of CSR functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.

The administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.

APPOINTMENT/REMOVAL OF MEMBER OF CSR COMMITTEE

All members of the CSR Committee will be appointed by the Board and can be changed by the Board at its sole discretion. The Board shall from time to time vary the composition of the CSR Committee, its Role, Powers, Functions and Duties as may be required from time to time.

DISCLOSURES

The Company shall attach with its Board Report, an annual report on CSR activities (including Impact assessment reports, if any) containing such particulars as may be prescribed by the Ministry of Corporate Affairs from time to time.

The Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on its website, for public access.

AMENDMENTS

The Board of Directors as per the recommendations of CSR Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy are subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities found inconsistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

EFFECTIVE DATE

This policy supersedes the previous CSR policy and will be effective from June 21, 2021.

Any subsequent amendment/modification in regard to CSR provisions/rules notified by the Ministry of Corporate Affairs, shall automatically apply to this Policy. In case any provision(s) of this CSR Policy is contrary to or inconsistent with the provisions of the Act and the Rules framed thereunder ("Statutory Provisions"), the Statutory Provisions shall prevail.