

# **NILKAMAL LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

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## **NILKAMAL LIMITED**

### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **Introduction**

**Corporate Social Responsibility (CSR)** at our Company goes beyond business and extends to the implementation of socially relevant activities for the benefit of society at large.

This Policy is in keeping with the requirements of the Companies Act 2013 (“the Act”) and Companies (Corporate Social Responsibility Policy) Rules 2014.

#### **Preamble**

Corporate Social Responsibility (CSR) is the Company’s contribution to social and economic development of the local community in which we operate and to society at large. Nilkamal Limited, as a good corporate citizen, has adopted CSR as strategic tool for sustainable growth and has decided to contribute to the development of the communities as a whole. In doing so the Company aims at building a better, sustainable way of life for the weaker sections of society.

#### **Applicability**

This CSR Policy has been formulated in consonance with Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) notified by the Ministry of Corporate Affairs, Government of India. This Policy shall apply to all CSR projects / programmes undertaken by the Company in India as per Schedule VII of the Act, for the time being in force. This Policy will be applicable to Nilkamal Limited including all its subsidiaries and Joint Venture companies in India.

#### **Our CSR Program**

The Company’s CSR projects and programmes will be implemented through not-for-profit company set up under Section 8 of the Companies Act, 2013 i.e. Nilkamal Foundation Limited, through recognized and reputed NGOs as permitted under the Act, public charitable trusts, and similar entities. The CSR projects and programmes may also be undertaken by Nilkamal Limited directly or with joint and collaborative efforts of its subsidiary and Joint Venture companies. The Company also pool its resources and CSR spending with subsidiaries/other groups / Joint venture companies on such collaborative efforts which qualifies for computing the CSR spending.

## **Identification of programs for CSR**

The Company's commitment to CSR projects and programmes will be by investing resources into any of areas as prescribed under schedule VII of the Act. The focus areas of the Company for utilizing the earmarked CSR Fund are as under:

- ✓ Eradicating hunger, poverty and malnutrition;
- ✓ Promotion of healthcare including preventive healthcare;
- ✓ Promotion of education and employment-enhancing vocational skills;
- ✓ Ensuring environmental sustainability and animal welfare including measures for reducing inequalities faced by socially & economically backward groups;
- ✓ Other areas approved by the CSR Committee within the ambit of CSR Rules as amended from time-to-time.

Further in the event of any unforeseen circumstances such as earthquakes, floods, tsunamis etc. the CSR Committee may decide to support CSR initiatives through NGOs under the project program model and covered under the schedule VII of the Act relating to CSR activities.

All CSR activities covered under this Policy shall be carried out within India.

## **Implementation Process**

Prior to the commencement of any programme(s)/activity (ies), the Company shall consider various parameters and based on the same it shall choose the appropriate project. All projects would be assessed under the agreed strategy and monitored on a regular basis – the set targets vis-à-vis the budgets. Midcourse corrections, if necessary, would also be carried out.

## **CSR Committee**

A Committee of Board of Directors has been formed in line with the Section 135 of the Companies Act, 2013. The Nilkamal Limited CSR Committee comprises three Directors, including one Independent Director, as below:

1. Mr. K. R. Ramamoorthy
2. Mr. Vamanrai V. Parekh
3. Mr. Sharad V. Parekh

The Committee shall be inter alia be responsible to:

- Formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company in accordance with the provisions of Schedule VII of the Companies Act, 2013.
- Recommend to the Board the Amount of expenditure to be incurred on the activities referred to in the CSR policy.
- Monitor the CSR Policy and its implementation from time to time.

- Submit a report to the Board of Directors as required under the act on all CSR activities undertaken during the financial year which shall duly be displayed on the Company's website at: [www.nilkamal.com](http://www.nilkamal.com).

## **Governance**

The members of the CSR Committee shall be responsible for conducting all the CSR activities. It shall meet at such intervals as it may deem necessary.

However, the Committee may also form a CSR Team consisting of such number of persons who may either be employees of the Company or other external persons, as may be required, as its authorized representative for the purpose of implementing, reviewing and overseeing the overall CSR process, and the said Team shall report to the CSR Committee.

## **Monitoring, Review and Evaluation**

The CSR projects will be monitored and reviewed as below:



## **Budgeting and spend**

The management will present to the CSR Committee the calculation for the CSR spent and on the basis of the same the CSR Committee will approve the CSR Budget for the respective financial year.

For each financial year, the minimum amount available for CSR spending will be as per the calculation of 2% of the average net profit before tax based on financial statements of the three

preceding financial years as defined in accordance with the applicable provisions of the statute, and as amended from time to time.

Any surplus arising out of CSR projects shall not form part of business profit of the Company and unspent budget amount, if any, shall be reported in the Annual Report.

### **Closing Notes**

It will be the endeavor of the Company to sow the seeds of good acts and reap its benefit in form of a more stable and sustained surrounding.

The Board reserves a right to amend any provision of this policy based on the recommendation of the CSR Committee and in accordance with the statutory provisions issued in this behalf from time to time.