



KOTYARK INDUSTRIES LIMITED

CIN: L24100GJ2016PLC094939

CORPORATE SOCIAL RESPONSIBILITY POLICY ("CSR" POLICY)

Revised and Adopted in Board Meeting dated 08th February, 2023



CORPORATE SOCIAL RESPONSIBILITY POLICY

PREFACE:

The Kotyark Industries Limited understands its responsibility towards the society in which it operates and is initiating small but significant steps in bringing positive changes in the environment for sustainable development taking into consideration the interests of various stakeholders. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc., the Company has adopted CSR policy (“Policy”) as a strategic tool for sustainable growth. For the Company in the present context, CSR policy adopted by the Company is not just a tool of investment of funds for Social Activity but is also an effort to integrate Business processes with Social processes.

With the advent of Companies Act, 2013 formulation of Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company has formulated a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & Sustainable development of the society.

COMPANY PHILOSOPHY FOR CSR POLICY:

Companies Act, 2013 has formally introduced the Corporate Social Responsibility to the dash board of the Indian Companies. Kotyark Industries Limited is much positive and appreciates the decision taken by the Government of India. Legal framework of CSR is an edge to Corporate Charitable/reformative approach towards the Society to which the Corporate is belonging to. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach.

The management of the Kotyark Industries Limited expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

DEFINITIONS

- i. **“Act”** means the Companies Act, 2013.
- ii. **“Board of Directors” or “Board”** means the collective body of the directors of the company.
- iii. **“Company”** means Kotyark Industries Limited”
- iv. **“CSR Committee”** means Corporate Social Responsibility Committee constituted by the Board of Directors of the company.
- v. **“CSR Policy”** means CSR Policy of Kotyark Industries Limited
- vi. **“CSR Rules”** mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- vii. **“Implementing Agency”** means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR Policy.

Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.



CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Pursuant to Section 135(9) of the Companies Act, 2013, as of now Company is exempted from constituting Corporate Social Responsibility Committee. As and when required the Board of Directors of the Company will form Corporate Social Responsibility Committee (hereinafter referred to as the 'CSR Committee'), and the following functions will be allocated to CSR Committee:

- 1 To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013 and rules made thereunder;
- 2 To recommend the amount of expenditure to be incurred on the CSR activities referred to in clause (a);
- 3 To monitor the implementation of framework of CSR Policy as approved by the Board from time to time
- 4 To carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modifications as may be applicable or as may be necessary or appropriate for performance of its duties.

SCOPE OF CSR ACTIVITIES:

To attain its CSR objectives in a professional manner and integrated manner, the Company shall undertake the activities relating to:—

- 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 centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. ensuring environment sustainability, ecology balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to 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 benefits of armed forces veteran, 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 socioeconomic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. Contribution to incubators or research and developments projects in the field of Science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and



- x. 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 Organization (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)
- xi. Rural Developments Projects
- xii. Slum area developments where “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.
- xiii. Disaster management, including relief, rehabilitation and reconstruction activities.

BUDGET:

- 1 Each year budget for CSR activities shall be as decided by the Board.
- 2 The actual budget shall be such that the Company spends at least 2% of the average net profits of the Company made during the three immediately preceding financial years.
- 3 The actual budget shall be based on CSR programmes planned and approved for that year. However, the Company may contribute the amount in the long term projects or planned, if any, and spend the amount over a period of time provided the Company has set aside the said amount in a separate bank account.
- 4 The total budgeted amount for the year shall be distributed on projects as a percentile or fixed amount as may be decided by the Board.

GUIDELINES FOR CONSIDERATION OF PROPOSALS AND ALLOTMENT OF FUNDS FOR CSR PROJECTS & ACTIVITIES:

- 1 Individual proposals have to be within the framework of the CSR Policy.
- 2 Every CSR proposal has to be projectized. This involves defining activities, time frame, financial requirement, organizational responsibilities, outcome / expected results and sustainable aspects. The CSR department will evaluate the proposals and give its recommendations.
- 3 Appropriate financial powers shall be delegated to the board and afterwards to the committee for sanctioning the project and timely execution.
- 4 The releasing of funds in phased manner shall be clearly defined in the proposal to ensure proper utilization and submission of periodical progress reports.
- 5 Project proposals can be prepared by the Company on its own or through a consultant as may be necessary. The CSR Projects prepared by State / District Authorities or Local Bodies or reputed NGOs within the purview of CSR Policy may also be considered for implementation with the approval of Board /Committee. However, such projects submitted by NGOs shall be approved only after verification of their credentials, capability and preparedness to work in the specified locations.

FAILURE TO SPEND THE CSR MONEY

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Board/Committee to specify the the reasons for not spending the amount in the Annual Report pertaining to that particular Financial Year. Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.



REVIEW OF CSR POLICY

The Board/ CSR Committee shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The Board / CSR Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR Policy.

REPORTING AND PUBLICATION OF CSR POLICY

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website.

GENERAL:

- ✦ All administrative expenses including expenditure on wages & salaries, tours and travels, training & development of personnel deputed on CSR activities would be borne from the CSR funds.
- ✦ The Competent Authority to take decision on sanctioning works /allocation of funds for CSR and appointing authorized agencies for implementing Projects / Activities shall be as specified in the delegation of powers approved by the CSR Committee / Board of Directors.
- ✦ If it is observed that any CSR activity taken up for implementation is found not properly implemented, the Company at its discretion may discontinue funding the project at any time during the course of implementation.
- ✦ On advice of Board / CSR Committee, selected Project may be taken up for evaluation through an outside Agency.
