

CORPORATE SOCIAL RESPONSIBILITY

POLICY OF

KOKUYO CAMLIN LIMITED

Philosophy:

The Company believes it has a duty and responsibility towards the country and society that has enabled the Company to scale great heights. The Company also encourages its staff members to actively follow, understand and contribute to social causes, to remove indisputable social and developmental lacunae and to promote self and community development.

With the advent of the Companies Act, 2013, constitution of a Corporate Social Responsibility (CSR) Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company seeks to formulate 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.

Role of the Board:

Kokuyo Camlin Limited (KCL) being governed by the rules of the Companies Act, our CSR policy and programs are aligned with section 135 of the Companies Act, 2013.

The KCL board shall constitute a CSR committee consisting of three or more Directors out of which at least one Director shall be an Independent Director as mandated by the Act.

The Board shall additionally oversee the below:-

- a) After taking into account the recommendations made by the CSR Committee (as constituted above), approve the CSR Policy for the Company and disclose the contents of such Policy in its report and also upload it on the company's website - www.kokuyocamlin.com , in such manner as may be prescribed;
- b) Ensure that the activities included in the CSR Policy are in compliance with the activities specified in Schedule VII of the Act;
- c) Ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company; and
- d) If the Company fails to spend the said amount, disclose reasons for not spending such amount, in its report under clause (o) of sub - section (3) of Section 134, of The Companies Act, 2013.

CSR Activities:

The Company's CSR Policy would encompass all the activities listed under Schedule VII of the Companies Act, 2013 (Annexure A). However, at present the Company proposes to undertake the relevant activities on priority basis in the following focused areas:

1. Promoting health care including preventive health care and sanitation including undertaking of activities related to the Government's Swachh Bharat Abhiyaan programs & contribution to the Swachh Bharat Kosh set-up by the Central Government for promotion of sanitation and making available safe drinking water
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled, and livelihood enhancement projects;
3. Contribution to the Prime Minister's National Relief 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;

The above focus areas may be re-aligned and new focus areas incorporated, as and when deemed necessary, by the Company's CSR Committee.

The individual CSR activities undertaken should preferably be in the regime/ State of the Company's offices and factory locations. across the country and not more than [REDACTED] of the available funds for the corresponding FY should be allocated for any one project so as to ensure equitable distribution and utilization of funds.

Scope:

The Company may carry out CSR activities implemented by the company

1. On its own directly or;
2. Indirectly through any external agency means any Section 8 Company, or a registered trust /society/NGO/institution performing social service for the benefit of the society provided the agency has an established track record of at least three years for undertaking such programs and the company has specified the project to be undertaken through these agency which shall be preferably in the focused areas.
3. The company may collaborate with other companies including its holding or subsidiary or associate companies for fulfilling its objectives through indirect method provided the CSR committee of respective companies is in a position to monitor such projects separately.

CSR Committee:

As per the requirements of recently enacted Companies Act, 2013 and rules framed thereunder, the Board of Directors at their meeting held on 31st January, 2014 constituted CSR Committee consisting of the following directors:-

- Mr. Ramanathan Sriram - Chairman
- Mr. Shriram Dandekar - Member

- Mr. Nobuchika Doi -Member

The mandate of the CSR Committee is essentially to :-

- a) Formulate and recommend to the Board of Directors,
 - the CSR policy
 - Expenditure on CSR activities
 - CSR Projects to be undertaken by the Company
- b) recommend CSR projects, which are in line with the activities specified in Schedule VII, to be undertaken by the Company.
- c) to monitor CSR Policy from time to time and to institute a transparent Monitoring Mechanism for monitoring the implementation of the CSR projects or programs or activities undertaken by the Company.
- d) Any other matter as the CSR committee may deem appropriate after approval of the board of Directors or as may be directed by the board of directors from time to time.

The CSR Committee shall, on an annual basis, furnish a statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of KCL.

CSR Implementation Group- (CIG) comprising of Corporate Officers:

For the purpose of effective planning, Implementing ,monitoring and reporting of the company's CSR policy and its objective the CSR committee has authorized the following persons who will assist the CSR committee to achieve the CSR objectives:-

1. Mr. _____
2. Mr. _____
3. Mr. _____
4. Mr. _____

This implementation group will perform the following functions. :

- a) Draft a CSR Strategy document for the corresponding financial year that will identify the broad areas of work, the activities to be undertaken by the Company in the selected areas and the budget to be spent on them. The CSR Strategy document will be updated every corresponding financial year to reflect the Company's focus areas and CSR budget for the year.
- b) CIG will present and take approval for areas of work and corresponding estimates on expenditure planned for the full financial year from the CSR Committee at the beginning of every financial year.

- c) The CIG will be responsible for designing, developing, executing and monitoring the projects in the short listed focus areas of the Company's CSR Policy and as approved by the CSR Committee.
- d) The CIG shall prepare an overview document for every project that it propose to undertake including but not limited to activity definition, expected local impact areas, budgeted investments, expected benefits (Re value wherever possible) and success parameters.
- e) The CIG will take decisions on day to day activities of the CSR activities.
- f) The CIG will be responsible for periodic reporting of the activities to the CSR Committee as per the reporting format outlined in Section 12 or in any format as desired by the CSR Committee.
- g) Accounting guidelines and Audit process (Internal / external) will be as per the guidelines laid down in the Companies Act, 2013 and in accordance with approved business processes and policies.
- h) Create a mechanism, deemed appropriate to and in line with achieving the objectives of the individual CSR projects undertaken by the Company.

Monitoring of CSR projects or programs or activities:

The CSR Committee will review the progress on the CSR initiatives and discuss the budgetary utilization on a quarterly basis. The CSR Committee will present the quarterly progress to the Board as part of the regular board meetings.

CSR Funds:

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- any income arising there from.
- surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

Disclosure in Annual report:

The format for the "Annual Report on CSR Activities" to be included in the Board's Report and to be displayed on the company's website www.kokuyocamlin.com shall be as follows:

1. A brief outline of the Company's CSR policy r, including overview of the

2. projects or program proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
3. The Composition of the CSR Committee.
4. Average net profit of the company for the last three financial years.
5. Prescribed CSR Expenditure (two percent of the amount as in item 3 above).
6. Details of the CSR spent during the financial year:
 - a) Total Amount to be spent for the financial year;
 - b) Amount unspent, if any;
 - c) Manner in which the amount is spent during the financial year in a prescribed format.

In case the company is unable to spend the two percent of the average net profit for the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in the Board's report.

A Responsibility statement of the CSR Committee that the implementation and the monitoring of the CSR Policy, is in compliance with the CSR objectives and the Policy of the Company.

Amendments to CSR Policy

The CSR Committee shall review this CSR Policy on a periodic basis and shall update it as necessary or appropriate (subject to approval by the Board, if applicable) to ensure that it reflects CSR Requirements as well as the current interests of the Company and relevant stakeholders.