

NILKAMAL LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Preamble

With the rapidly changing corporate environment, the concept of Corporate Social Responsibility (CSR) has gained prominence from all the avenues. Corporate India had always worked towards upliftment of the vulnerable class of the society in some way or the other. In order to streamline and channelize these resources of all the Corporate as whole in the larger interest of the society, the government has now mandated such spends and laid the procedure for the same by including it in the statute itself.

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.

Our CSR Program

Nilkamal's CSR activities will be implemented through a registered trust or a registered society or a Company established by the Company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013 or through Collaborative partnerships formed with the Government / District authorities, or NGOs, or otherwise, provide that:

- 1) If such trust, society or company is not established by the Company or its holding or associate company, it shall have an established track record of 3 (three) years in undertaking similar programs or projects;
- 2) The Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

Identification of programs for CSR

Programs to be undertaken via CSR will be identified by the Company's CSR Committee in a participatory manner after proactively consulting the communities for gauging their basic needs and any of the programs so selected will meet the regulatory requirements. Such programs shall be mapped with the activities as suggested in the Schedule VII of the Companies Act, 2013.

CSR Focus Areas



The focus areas in which Nilkamal plans to work shall include Education, Health care and Environmental Sustainability. The objectives of the Company for the above activities shall be as follows:-

1. Education: Our endeavor is to spark the desire for learning and enlighten minds. We may undertake to fulfill this objective by way of providing quality education initiatives or by financial assistance to the poor and needy students, undertaking to impart vocational training, adult education programs, girl education, other related infrastructure etc.
2. Health care: Our goal is to render quality health care facilities which we may provide by way of undertaking preventive healthcare programs by way of including but not limited to setting various camps and related infrastructure services, providing of sanitation and making available safe drinking water, etc.
3. Environmental Sustainability: We aim at providing livelihood in an environmentally sustainable manner. For addressing this objective we may undertake afforestation, planting of trees, check dams and such other like programs, activities towards maintaining ecological balance, quality of soil, air and water, conservation of natural resources, etc.

Further, the Company on the recommendations of the CSR Committee may also undertake any other activities as mentioned in the Schedule VII of the Companies Act, 2013, apart from those mentioned above in pursuance of achieving its CSR objectives.

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.

Capacity building

The Company may also build CSR capacity of its own personnel and the personnel of those agencies who shall undertake CSR activities for the Company, by training them to think and manage the resources of the Company in a more efficient manner. CSR expenditure such as the salary of such personnel(s) / volunteers who are engaged in CSR activities can be factored as CSR spending towards the CSR project cost of the Company. However, the amount spent on this cannot make up more than 5% of the overall CSR spend for the year.

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

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.

Reporting

CSR initiatives of the Company will be reported in the Annual Report every financial year and its contents shall also be placed on Nilkamal's website.

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.