Kapco	**CSR POLICY**	Policy No: -KIL/CSR/01/20-21 Effective Date: -01.04.2020 Revision No.: - 00 Pages: - 1-6

CORPORATE SOCIAL RESPONSIBILTY (CSR) POLICY

1. Preamble:

Corporate Social Responsibility ("CSR") is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Kapco International Limited ("the Company") is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 ("Act") and related rules made thereunder.

This CSR policy ("CSR policy") covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategies that define plans for future CSR activities.

2. Objectives:

The objective of the CSR policy is to:

- To develop a strategy for the Company's CSR objectives.
- To establish relevance of potential CSR activities to the Company's core values and create an overview of activities to be undertaken in line with Schedule VII of the Act.
- To establish a process and mechanism for the implementation and monitoring of the CSR activities for the Company.

3. Constitution:

Pursuant to the provisions of Section 135 of the Act and the regulation in India in the title of "Companies (Corporate Social Responsibility Policy) Rules, 2014" ("CSR Rules"), the CSR Committee, when required as per the Act, shall be formed. The Board of Directors hereby authorizes and empowers the Whole Time Director and or Managing Director of the Company to constitute or reconstitute the CSR committee ("CSR Committee"). Members of the CSR Committee may be replaced by any other member, subject to the approval of the Whole Time Director and or Managing Director of the Company.

4. Meetings of CSR Committee:

- The CSR Committee Shall meet at least once annually.
- Members of the CSR Committee can mutually agree upon a time and place for the said meetings. A quorum for the meeting should be two. The members of the CSR Committee may participate in the

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Designation	Company Secretary	Managing Director	Director
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meeting either in person or through telephone conferencing or other audio/visual means in accordance with the provisions of the Act and rules made thereunder from time to time.

- The Board of Directors shall be informed on the progress of various CSR projects at least once a year.

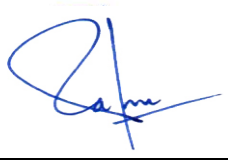
5. Duties and Responsibilities of CSR Committee:

The following are the duties and responsibilities of the CSR Committee:
i. Formulate CSR Policy and recommend to the Managing Director of the Company for his approval. Once the CSR policy is approved by the Managing Director, the same shall be placed before the Board for their approval.
ii. Recommend CSR activities as stated under Schedule VII of the Act;
iii. Approve to undertake CSR activities and report the same in accordance with the CSR Rules;
iv. Recommend the CSR Budget subject to the approval of the Managing Director of the Company; ‘
v. Spend the allocated CSR amount on the CSR activities/projects once it is approved by the Whole Time Director and or Managing Director of the Company in accordance with the Act and the CSR Rules;
vi. Create transparent monitoring mechanism for implementation of CSR initiatives in India;
vii. Submit progress reports to the Managing Director of the Company and further to the Board of Directors, at-least once a year, in respect of the CSR activities undertaken by the Company; and
viii. Monitor CSR Policy from time to time.

6. Responsibilities of the Board of Directors:

The following are the duties and responsibilities of the Board of Directors of the Company:.
i. Approve the CSR Policy and take note of CSR expenditures on periodic basis.
ii. Ensure the CSR spending every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the CSR Policy.
iii. Ensure that CSR activities included in the CSR Policy are undertaken by the Company and that such activities are related to the activities specified in Schedule VII of the Act subject to the approval of Whole ‘Time Director and or Managing Director of the Company.
iv. Ensure disclosure of the contents of the CSR Policy on the Company's website.
v. Ensure disclosure in the Directors' report pertaining to the following:

- Contents of the CSR policy and constitution of the CSR Committee;
- An annual report on the CSR in the prescribed format as per Annexure A of this CSR Policy.
- Reasons for failure (if any) to spend required amount on CSR activities.
  vi. Authorize executives of the Company to attend the CSR Committee meetings.

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7. CSR Expenditure:

So long as required by law, in every financial year, the Company shall spend a minimum of 2% of its average net profits in the immediately preceding three (3) financial years. Average net profits shall mean the net profit of the Company as per the Profit & Loss Statement prepared in accordance with Act.

The net profits shall exclude the dividend received from other companies in India.

The CSR activities approved by the Managing Director of the Company on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

The CSR Expenditure shall not include projects or programs or activities undertaken outside India.

Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

8. CSR Activities:

The Company proposes implementing its CSR activities, as determined by the Whole Time Director and or Managing Director of the Company, in certain of the various sectors stated hereunder, which fall within the purview of Schedule VII of the Act:

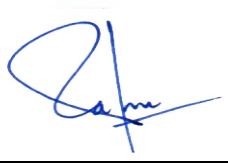
i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

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 art and handicrafts;
vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police

Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows;
vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.

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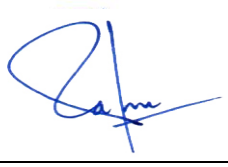
viii) Contribution to the Prime Minister's national relief fund or Prime Minister's Citizen Assistance and Relief ' in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward 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 the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contribution 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).
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.

The Company will review the sectors from time to time and make additions, deletions or clarifications to the above sectors.

9. CSR Initiatives:

In line with Schedule VII of the Act and the CSR Rules, so long as required by law, the Company shall undertake CSR activities included in its annual CSR plan ("Annual CSR plan"), as recommended by the CSR Committee at the beginning of each year. The CSR Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.
The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Whole Time Director and Managing Director of the Company based on recommendation of its CSR Committee which outlines inter alia the following aspects of CSR initiatives of the Company:

- Project Proposals
- Targeted Beneficiaries and their key needs
- Alignment with Schedule VI
- CSR Budget with projections
- Monitoring mechanism
- Any other information may be required by the CSR Committee.

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The Company may collaborate with other affiliates or any other company as may be approved by CSR Committee to implement CSR activities and the same shall form a part of the Annual CSR plan. The Company may form trusts on its own to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities. The Company may also collaborate its CSR activities with other affiliates or any other company as may be eligible and approved by the Managing Director of the Company, and
towards this effort, the Company may jointly along with other affiliates or any other Company form Trusts to administer the CSR activities.

10. CSR Reporting:

The Board of Directors in its annual report shall include the details of the CSR activities undertaken in the financial year.

The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of the Company, which statement shall form part of the Directors' report.

11. Website Display:

The Company shall display on its website the contents of its CSR Policy and other information as may be required to be displayed as per the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

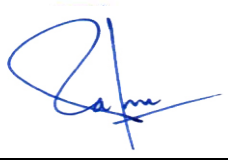
12. Monitoring Mechanism:

i. The CSR Committee shall be appraised for the implementation of the CSR activities and the progress shall be monitored twice a year basis.
ii. The Company shall through its internal controls, monitoring and evaluation systems implement, assess, document and report the impact of its CSR activities/projects.
iii. Records relating to the CSR activities and the CSR expenditure shall be accurately maintained.

13. Policy review and future amendment:

The administration of the CSR Policy of the Company and the execution of identified CSR projects, programs and activities under it shall be carried out under the control and overall supervision of the CSR Committee and the Managing Director of the Company. Further, the Board of Directors may revise/ amend this CSR Policy based on the recommendations of the CSR committee and Managing Director of the Company or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.

14. Failure to spend the CSR Money:

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If the Company fails to spend the required amount in a particular year, it is the duty of the Committee to submit a report in writing to the Whole Time Director and Managing Director of the Company and to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Reports pertaining to that particular Financial Year.

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