



NEOKRAFT GLOBAL PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. BACKGROUND

As a responsible corporate citizen, we at Neokraft Global Private Limited try to contribute for social and economic development on regular basis. Corporate Social Responsibility Policy” or “CSR Policy” of Neokraft Global Private Limited (“NGPL” or “the Company”) has been formulated in consonance with the provisions of Section 135 of the Companies Act, 2013 (“the Act” read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) as amended from time to time and shall also be subject to any other provisions of the Act.

The CSR policy shall be guided by NGPL’s corporate philosophy of respect for the individual and the society at large.

2. APPROACH

The company may conduct / implement CSR programs by itself and/or through registered trusts, societies and / or section 8 companies with an established track record of at least three years in carrying on activities in the related areas or as suggested by Ministry of Corporate Affairs vide circulars/ notifications.

Cumulatively, the objective would be to evolve the CSR work as a meaningful exercise in true spirit of Section 135 of the Act while working in the areas as indicated under Schedule VII of the Act, including any subsequent amendment thereof.

3. CSR ACTIVITIES

The Company shall undertake and execute the CSR activities (“CSR projects/ Programs”) in the areas listed under Schedule VII of the Act, which are as under:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;

- vii. Training to promote rural sports, nationally recognized sports, paraolympic sports and Olympic sports;
- viii. Contribution to the Prime Ministers National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) 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.
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

All CSR activities undertaken by NGPL will follow certain rules and procedures to ensure that the chosen programs reach the intended target and create tangible impact. The process for identification and implementation of a program here will include:

- Identification of priority areas
- Stakeholder identification
- Due diligence of implementation partner
- Project preparation/project evaluation
- Budgeting
- Project implementation and Review

A program picked up for implementation by a company will be cleared by the CSR Committee of the company and will be in line with this CSR Policy

4. CSR EXPENDITURE AND MODALITIES OF UTILISATION OF FUNDS

- i. As CSR programs / projects may spread for more than one year, hence it is not necessary that all expenses should be spent in a financial year. CSR expenditure shall include all expenditure for projects/ programs relating to CSR activities, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act. **[Rule 7]**
- ii. The amount to be spent on CSR activities would be at least 2% of the average net profits of the Company for immediately preceding three financial years ("**CSR Expenditure**"). If amount is not spent as mentioned above, reason of the same will be disclosed in Directors Report.
- iii. Surplus, arising out of CSR activities / programs, if any, will not form part of business profit of the

Company, but the same will be spent on CSR activities. **[Rule 6(2)].**

- iv. The Company will identify location wise projects and allocate funds on requirement basis. The CSR activities will be carried out preferably around the areas of the Company's operations. However, in general the areas will remain throughout India. **[Rule 4(4)].**
- v. Separate details of expenditure / reports for each project will be maintained in a manner as may be desired by the Company.
- vi. The allocated CSR budget / corpus will be utilized for CSR activities to be undertaken within India:
 - Which shall not be exclusively for the benefit of employees of the Company or their family members.
 - Which are not in pursuance of normal course of business of the Company.

5. CSR COMMITTEE

A Corporate Social Responsibility Committee ("the CSR Committee") has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

The composition of CSR Committee shall be disclosed in the Board of Directors' Report.

The CSR Committee shall meet at least once in six months. The meeting shall be held either at the registered office of the company or any other place, as may be decided by the members.

Physical presence of a minimum of two members of the committee shall constitute the quorum.

Responsibilities of the CSR Committee

- i. To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;
- ii. To review and approve annual budgets with respect to CSR programs;
- iii. To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013;
- iv. To monitor the CSR Policy, Projects and Programs from time to time.
- v. Ensure that the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.
- vi. The reasons for not spending the above amount are to be explained in the Board's Report, if the Company fails to spend such amount.

6. REVIEW/ AMENDMENT

- i. Policy is framed under provisions of Section 135 of the Companies Act, 2013 ("the Act") read with

Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) as amended from time to time. The words and expressions used in the document and defined in the Act and/or Rules shall have the same meanings respective assigned to them in the Act and/or Rules, as the case may be.

- ii. In case, any subsequent changes in the Companies Act, 2013 or any other applicable rules or regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy with effect from their enforcement and the Policy would be modified in due course to make it consistent with the amended laws.
- iii. This Policy may be reviewed as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Company. Any changes or modification on the Policy would be approved by the CSR Committee of the Company.

7. DISCLOSURE

An annual report on CSR containing the particulars as prescribed under the Act and CSR Rules shall form part of the Board’s Report of the Company.