

CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

KWALITY POLYTHREADS PRIVATE LIMITED

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“The business is Established By the Society for the Society and to the Society”

1. INTRODUCTION

Corporate Social Responsibility is strongly connected with the principles of sustainability; an organization should make the decisions based not only on financial factors, but also on the social & environmental consequences. Therefore, it is the core corporate responsibility of **"KwalityPolythreads Private Limited"** to practice its corporate values through its commitment to grow in a socially & environmentally responsible way, while meeting the interests of its stakeholders.

"KwalityPolythreads Private Limited" recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including customers, employees, suppliers, local communities & other organizations. The company endeavors to make CSR a key business process for sustainable development. Our company is committed towards aligning with nature; & has adopted eco-friendly practices. **"KwalityPolythreads Private Limited"** is committed to undertake CSR activities in accordance with the provision of Section 135 of the companies Act, 2013 & rules framed thereunder.

Hence, the Policy has been formulated in compliance with Notification dated 27th February, 2014 issued by Ministry of Corporate Affairs regarding Companies (Corporate Social Responsibility Policy) Rules, 2014; Schedule VII and Section 135 of Companies Act, 2013, which is effective from 20th October, 2016.

2. OBJECTIVES

Corporate Social Responsibility (CSR) is the responsibility of the corporate entity towards the society in consideration of the support given and sacrifices made by the society. Therefore, they have a responsibility towards the society to share a part of their profit.

Broadly the CSR Policy was expected to cover the following four core elements:

1. **Care for all stakeholder:** It is responsibility of the corporate to take care the interest of all stakeholders including Customers, shareholders, creditors, supplier, employees, project affecting persons and of course the society where it operates.
2. **Ethical Functioning:** Ethics are the values, behavior, nature, conduct of the person or persons in any organization or society. The best Ethical practices are also awarded. They should not engage in any abusive, unfair, anti-competitive or corrupt language.
3. **Respect for Worker's Right and Welfare:** The companies should provide the workplace environment that is safe, hygienic and humane to work. They should be taken care of the health issues arising out of the work of the organization. It should conduct the training and development program within the organization for the people of the organization.

4. **Respect for Environment:** The companies are required to utilize the Planet i.e., Natural Capital in a well manner so that it cannot be wasted, excess utilized which is also required for the other states or countries and also requires to be preserve for the future generation.

Accordingly, Companies Act, 2013 read with Schedule VII has precisely reserved the interest of all stakeholders while enumerating the list of CSR activities and making CSR activities as statutory obligation for corporates to take initiatives towards Social, Environmental and Economic Responsibilities earlier which was only a Voluntary Guidelines known as “National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business” notified on 8th July, 2011. Consequence of Inserting section 135 of Companies Act, 2013 every company falling under Subsection (1) of said Sectionsuch Company will have to spend in every financial year, at least two per cent of the average net profits of the company made during its three immediately preceding financial years. However, a company ceased to be covered under Section 135(1) for three consecutive financial years, it shall not be required to constitute a CSR Committee and comply with the provision thereof.

3. FOCUSAREAS

Company shall undertake CSR projects / programs / activities from those listed in Schedule VII of the Companies Act, 2013 or any other projects or programs or activities which are related to those activities enumerated in Schedule VII which contain the following list:

- (i) eradicating extreme hunger and poverty; improving health care which includes preventive health care and sanitation and making available safe drinking water.
- (ii) promotion of education; special education and employment strengthening vocation skills among children, women, elderly and the differently-abled and livelihood enhancement projects.
- (iii) promoting gender equality and 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
- (iv) reducing child mortality and improving maternal health;
- (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi) ensuring environmental sustainability; ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining a quality of soil, air and water which also includes a contribution for rejuvenation of river Ganga.
- (vii) Employment enhancing Vocational Skills
- (viii) social business projects Rural development projects. Disaster management, including relief, rehabilitation and reconstruction activities. ; Slum area development
- (ix) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and

(x) such other matters as may be prescribed.

Whereas the company will give preference for giving contribution towards the registered trust, society, or Company (Not for profit) engaged in CSR programs/ activities/ projects in the local area where it operates.

4. COMPOSITION OF CSR COMMITTEE

The CSR Committee shall consist of the following Directors & Company Secretary:

- Mr. Rakshit Bhatia (Chairman, Director)
- Mr. Naveen Bhatia (Member, Director)
- Mr. Jitendra Kumar Khara (Member, Director)
- Mr. Chakravrttee Singh (Secretary, Company Secretary)(Inducted on 15.01.2019)

5. MEETING AND QUORUM OF CSR COMMITTEE

The committee shall meet as and when required for the purpose for which the committee is constituted. Two members present shall form the quorum for the meeting of the Committee.

6. CSR EXPENDITURE

“Kwality Polythreads Private Limited” shall spend a minimum of 2% of its average Net profits in the immediately preceding three (3) financial years in accordance with companies Act, 2013. The Company will not utilize the amount of expenditure reserve for CSR and maintain the unspent amount in different reserve which will be used for the said purpose only and will not be utilize in normal course of business.

CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within purview of the CSR activities listed under Companies Act, 2013.

The CSR expenditure may be incurred through any of the following modes :

- On its own or
- Through a registered trust or a registered society or a company established by the company or its holding of subsidiary or associate company under section 8 of the companies Act 2013 or otherwise subject to the rules as provided in the companies (Corporate Social Responsibility Policy) Rules, 2014 or any other rules /regulations as may be applicable from time to time,
- The company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee of respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014.

7. RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken,
- Recommending the amount of expenditure for the CSR activities, and
- Monitoring CSR activities from time to time.

8. GOVERNANCE

The company may also undertake its CSR activities by establishing a registered trust or a registered society or a company (not for profit). Company may also undertake its CSR activities through any trust, society or company (not for profit), not established by it, having an established track record of three years in undertaking similar programs or projects.

Moreover, these entities will utilize the donation or contribution given by the Company to the specified projects/ programs or activities covered only under Schedule VII to the Companies Act, 2013.

Further the contribution will be given to those entities whose programs/ activities/ projects are held or organized in India. Company may also collaborate with other companies for undertaking projects or programs or CSR activities.

9. DISCLOSURES AND REPORTING

An annual report, format specified in the Companies (CSR) Rules, 2013, on the activities undertaken under the CSR initiatives shall be prepared by CSR Committee and shall be suitably integrated into the Directors' Report of the Company.

10. DISPLAY

Content of CSR Policy shall be displayed on Company's website i.e. www.ktl.in as per particulars specified in Companies (CSR) Rules, 2013.

11. EFFECTIVE DATE

This policy is effective from 20TH October, 2016.

12. TERMINATION OF COMMITTEE

As per the provision of Section 135 of Companies Act, 2013 read with Rule 3(2) of Companies (CSR) Rules, 2014, in case a company ceased to be covered under Section 135(1) for three consecutive financial years, it shall not be required to constitute a CSR Committee and comply with provisions thereof. Consequently, the CSR Committee will cease to have effect from the next day of subsequent financial year after consecutive three financial years.

13. CONTACT

For queries related to the CSR Policy, please write to us at cs@ktl.in.