



Kalyani Forge Limited

KOREGAON BHIMA, -412 216, TEHSIL SIRUR DIST. PUNE.
☎ : (02137) 252335, 252755, 252757 FAX : (02137) 252344 / 252756.
www.kalyaniforge.co.in



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF KALYANI FORGE LIMITED

❖ **PHILOSOPY**

Kalyani Forge Limited has always respected contribution of the society in its growth story. We believe that business enterprises cannot grow without using societal resources and such business enterprises are economic organs of the society. It is, therefore, responsibility of every business enterprise to plough back part of its profits in the society. Kalyani Forge continues to remain committed in maintaining the highest standards of corporate social responsibility in its business activities by creating a positive impact on the society and by contributing to socio- economic development including measures for improving the quality of life of underprivileged classes of the society.

❖ **VISION**

To be consistent contributor to the development of society beyond mere financial resources by undertaking scalable and sustainable CSR projects relating to eradication of poverty, child welfare, woman empowerment, environment sustainability or any other similar projects as defined under Schedule VII of the Companies Act, 2013.

❖ **OBJECTIVE**

The main objective of CSR Policy is to lay down the guidelines for the Company to make CSR as a key business process for sustainable development of the society. It aims at supplementing Government's role in enhancing welfare measures of the society. We propose to take our CSR activities to a higher scale by designing various projects related to needy, economically deprived children, woman and senior citizens, deprived and marginalised sections of the society etc. In addition to this, we also wish to provide an opportunity to our employees to contribute to these efforts through volunteering various CSR projects undertaken by the Company.

❖ **DEFINITIONS**

Unless the context otherwise requires –

- a) **“Act”** means the Companies Act, 2013 including any statutory modifications or re-enactment thereof.
- b) **“Corporate Social Responsibility (CSR)”** means and includes:
 - i) Projects or programmes relating to activities specified in Schedule VII of the Act, or
 - ii) Projects or programmes relating to activities undertaken by the Board of Directors of the Company in pursuance of recommendations of CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.



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c) **"Net profit"** means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- i) any profit arising from any overseas branch or branches of the company whether operated as a separate company or otherwise; and
- ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that net profit in respect of a financial year for which the relevant financial statements are prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act:

Provided further that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of subsection (1) of section 381 read with section 198 of the Act.

d) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

❖ AREAS TO BE COVERED FOR CSR

The Company proposes to undertake CSR projects and programmes in respect of the activities stated below with a preference to implement these projects and programmes in the areas in which it operates:

- i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and 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.
- v) Protection of national heritage, art and culture including restoration of buildings and sites historical importance and works of art; setting-up public libraries, promotion and development of traditional arts and handicrafts.



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- vi) Measures for the benefit of armed forces veterans, war widows and their dependents.
- vii) Training to promote rural sports, nationally recognised sports, Paralympics Sports and Olympic Sports.
- viii) 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.
- ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- x) Rural development Projects.
- xi) Bio-toilet Programme or contribution to any such programme of any other organisation or Central Government or any State Government.
- xii) Projects related to providing hygienic sanitation facilities for girl students at school.

❖ RESOURCES FOR CSR

We propose to deploy the following resources for our CSR activities:

i) Funds:

At the minimum, as required by law i.e. 2% of average net profits of the past 3 years.

ii) Expertize:

Expertise of our CSR committee through structured volunteering program.

iii) Facilities:

Our factories to build skills in areas relevant to our business.

iv) Resources from other companies within and outside the Company:

Look for opportunities of synergies with like-minded organizations outside Kalyani group of companies.

❖ IMPLEMENTATION

CSR Projects and Programmes of the Company to be implemented by Company personnel assigned with such specific responsibilities or through external implementing agencies or through Kalyani Gorakshan Trust or other trusts of the Company or Kalyani Medical Foundation or other Section 8 companies that may be established by the Company from time to time. In such cases, the Company will specify the CSR Programmes which may be undertaken by those implementing agencies or trusts or section 25 companies in accordance with their Objects and



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administrative and accounting processes laid down in the respective Trust Deeds/ Memoranda and Articles of Association.

❖ CSR EXPENDITURE

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used only for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure. Any surplus arising out of CSR projects shall not form part of business profit of the company.

❖ GOVERNANCE

A) Composition of CSR Committee:

The Board in its meeting held on May 19, 2014 has constituted a CSR Committee comprising of the following members:

Sr. No.	Name of the Director	Category	Designation
1)	Mr. Pradeep Nadkarni	Independent Director	Chairman
2)	Mr. Chandrashekhar H. Naniwadekar	Independent Director	Member
3)	Mr. Ashok R. Jamenis	Independent Director	Member
4)	Mr. Viraj Gaurishankar Kalyani	Non-Independent Director	Member
5)	Mrs. Rohini Gaurishankar Kalyani	Non-Independent Director	Member

* Mr. Chandrashekhar H. Naniwadekar ceased to be a Director of the Company w.e.f. 12th August, 2015 and also ceased to be member of the Committees.

* Mr. Ashok R. Jemenis ceased to be a Director of the Company w.e.f. 13th August, 2015 and also ceased to be member of the Committees.

B) Terms of Reference:

- To formulate the Corporate Social Responsibility Policy of the Company and modify the same from time to time which shall indicate the activities to be undertaken by the company as specified in Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII to the Companies Act, 2013.
- To identify and recommend CSR Projects and Programmes of the Company.
- To recommend the amount of expenditure to be incurred on the CSR activities.



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- iv) To institute a transparent monitoring mechanism for implementation of CSR Projects and Programmes of the Company and accordingly monitor the Corporate Social Responsibility Policy of the company from time to time.
 - v) To report to the Board on the performance of the Company on CSR Projects and updates on the new CSR Projects from time to time.
 - vi) To prepare draft CSR Report as per the format provided in Attachment – I to this policy at the end of the year for approval by the Board for reporting to the Shareholders.
 - vii) 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.
- C) Meetings and quorum:
- i) The Committee shall meet at least two times in a year and not more than six months shall elapse between any two meetings.
 - ii) The Committee may invite such executives as it considers appropriate to be present at the meetings of the committee.
 - iii) The Company Secretary of the Company shall act as the secretary to the Committee.
 - iv) The quorum for the Committee meetings shall be atleast three members of the Committee. However, at least one independent member must be present.
- D) Monitoring Mechanism

Each of the CSR projects and programs would have clearly defined output, outcome and process indicators which will have to be reported at specified frequencies. All projects and program will be monitored by the board appointed CSR committee. The monitoring process will cover any modifications to the policy, including the CSR structure, program and financial reviews. The CSR Committee will report to the Board.

All projects and program above a value of Rs. 10 Lac will also be audited by the Statutory Auditor as a part of regular financial audit.

[As approved by Board of Directors of Kalyani Forge Ltd. in is meeting held on November 10, 2014.]