



**KELLTON TECH SOLUTIONS LIMITED.**

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **1. INTRODUCTION**

The Board of Directors (the “Board”) of Kellton Tech Solutions Limited (the “Company” or “Kellton Tech”), has adopted the following policy with regard to Corporate Social Responsibility of the Company as defined below.

With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company seeks to formulate a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

### **2. SCOPE & OBJECTIVE**

This Policy is framed, in accordance with the requirement of Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

The Board of Directors, may, base on its assessment of the Company’s needs, financial soundness, legal and regulatory developments, subject to compliance with the applicable laws and rules, at any time modify, change, vary, alter, amend, this CSR Policy.

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

### **3. DEFINITIONS**

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re-enactments thereof.

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**CIN: L72200TG1993PLC016819**



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“Act” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

“Associate Company” means a Company within the meaning of section 2(6) of the Companies Act, 2013. “

“Board ” means the Board of Directors of the Company.

“Board’s Report” shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

“Company” means Kellton Tech Solutions Limited, a Company incorporated under the Companies Act, 1956

“CSR” means Corporate Social Responsibility.

“CSR activities” the activities or projects or programmes as recommended by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas falling under the Schedule VI to the Companies Act, 2013.

“CSR Committee” means the Committee of the Board constituted under section 135 of the Act for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.

“CSR Policy” means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

“CSR Rules ” means Companies (Corporate Social Responsibility)Rules, 2014.

“Independent Director” means a non-executive director of the Company within the meaning of section 2(47) of the Companies Act, 2013 and clause 49(1)(a)(iii) of the Listing Agreement entered with the Stock Exchange(s).

“Holding Company” means a Company within the meaning of section 2(46 ) of the Companies Act, 2013.

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"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.

“SEBI” means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992

“Subsidiary Company” means a means a Company within the meaning of section 2(87) of the Companies Act, 2013

### **4. CSR ACTIVITIES**

(i) The Company shall undertake the activities as recommended by the CSR committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014

CSR Activities under Schedule VII of the Companies Act,2013 include:

a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.

b.Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

c. 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.

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- d. 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,
  - e. 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.
  - f. Measures for the benefit of armed forces veterans, war widows and their dependents.
  - g. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
  - h. Contribution to the Prime Minister's National relief fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.
  - i. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
  - j. Rural development projects.
- (ii) The CSR activities (either new or ongoing) shall be undertaken by the Company in accordance with this policy and shall exclude activities undertaken in pursuance of its normal course of business.
- (iii) Subject to the provisions of Section 135(5) of the Act, the CSR projects or programs or activities undertaken in India only shall qualify for CSR expenditure.
- (iv) The CSR programs or projects or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with the Act.
- (v) Contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR activity.

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(vi) Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year.

Any Surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

#### **5. CSR ACTIVITIES THROUGH TRUST/SOCIETY/COMPANIES**

- (i) The Board may decide to undertake its CSR activities approved by the CSR Committee, 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 Act or otherwise subject to following conditions:
- a. If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
  - b. 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.
- (ii) The Board may also decide to collaborate with other companies for undertaking the CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such CSR activities in accordance with CSR Rules.



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**6. CSR COMMITTEE**

(i) Purpose:

The Corporate Social Responsibility (CSR) Committee of the Company will be formed by the Board of Directors of the Company to assist the Board in carrying out its responsibilities as per the CSR policy of the Company.

(ii) Composition of the CSR Committee:

- a. The CSR committee shall comprise of three or more directors as the Board may deem fit from time to time, to be appointed from amongst the Directors. Provided however that at least one of the directors of the CSR Committee shall be an Independent Director. The Board shall at its sole discretion, have the power to appoint any Director, remove any such Director so appointed and appoint another in his place. Any such appointment and/or removal shall be made by a resolution of the Board.
- b. The Chairperson of the Committee shall be designated by the Board from among the Committee members.
- c. The Company Secretary of the Company shall act as Secretary to the Committee.
- d. The Board will have the power to reconstitute CSR Committee as and when required from time to time.

(iii) Role:

The Corporate Social Responsibility Committee shall —

- a. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- b. recommend the amount of expenditure to be incurred on the activities referred to in clause (a);  
and
- c. monitor the Corporate Social Responsibility Policy of the company from time to time.



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### **7. CSR EXPENDITURE:**

- (i) As per the provisions of Companies Act, 2013, the Board shall ensure that the Company spends in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years.
- (ii) CSR Committee shall recommend the amount of expenditure project wise to be incurred annually to the Board for its consideration and approval.
- (iii) CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board 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 which fall within the purview of Schedule VII of the Act.

If the Company fails to spend the minimum amount as required under the Act on its CSR activities, the reasons for not spending the amount shall be specified in the Board Report.

### **8. AMENDMENTS**

The Board of Directors shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

### **9. DISCLOSURES**

The Policy for determining CSR activities shall be disclosed on the website of the Company at [www.kelltontech.com](http://www.kelltontech.com) and a web link thereto shall be provided in the Annual Report of the Company, as per the provisions of laws in force.

Sd/-

**Authorized Signatory**