



STOVE KRAFT LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY



**Stove Kraft Limited**

#81/1 Medamaranahalli Village, Harohalli Hobli, Harohalli Industrial Area,  
Kanakapura Taluk, Ramanagara District, Bengaluru, India- 562 112

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## 1. INTRODUCTION

Pursuant to Section 135 of the Companies Act, 2013 (the "Act") read with the Companies (CSR Policy) Rules, 2014 (the Rules), the Company put in place a CSR Policy for the Company as per approval given by the Board of Directors of the Company at its meeting held on January 23, 2020. The said Act and Rules in this regard have been substantially amended with effect from 22 January 2021, necessitating changes to be made in the CSR Policy.

Accordingly, a revised Policy has been framed for adoption by the Board of Directors incorporating the necessary changes. This Policy shall supersede the earlier Policy and shall come into immediate effect.

## 2. OBJECTIVE

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operates. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and titles as the "Corporate Social Responsibility (CSR) Policy" which is based as per the Companies Act, 2013 and rules made there under.

## 3. GUIDING PRINCIPLES FOR SELECTION, IMPLEMENTATION & MONITORING OF ACTIVITIES

### SELECTION OF CSR PROJECTS:

- The core elements of CSR are the continuing commitment by business to ethical principles, protection of human rights, care for the environment, while improving

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the quality of life of all the stakeholders, including the local community and society at large.

- It is Company's conscious strategy to design and implement Social Investments / CSR programs, by enriching value chains that encompass the disadvantaged sections of society, especially those residing in rural India, through economic empowerment, based on grass-root capacity building.
- This Policy will apply to all CSR initiatives and activities taken up at the various work centres and locations of the company, for the benefit of different segments of the society, with focus on the marginalized, poor, needy, deprived, under-privileged and differently abled persons.
- The Company would carry out its CSR activities with the objective of overall National and Community Development. At the same time, the Company would give preference to the local areas around the locations, where it operates.
- While selecting the activities to be carried out, the Company in addition to the points mentioned above, would also take into account the legal provisions contained in Section 135 and Schedule VII of the Companies Act, 2013 and the rules made thereunder. Further, the Company would consider the well-recognized National and International Goals and as may be recommended by the CSR Committee of the Board and as approved by the Board from time to time.
- Preference would be given to the activities, which are replicable, scalable and sustainable on a long-term basis. Focus would also be placed on lives, living and livelihood.

## MODALITIES OF EXECUTION & IMPLEMENTATION

### Board

Board will inter alia do the following:

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- Approve the CSR Policy of the Company and make necessary disclosures.
- Ensure that the CSR activities are undertaken by the Company as per Annual Action Plan and as required under law, taking into account the approved timelines, year-wise allocation etc.,
- Ensure spend of 2% of Net profits.
- Ensure that the CSR activities are undertaken directly or through the entities specified in the applicable Rules.
- Approve the Annual Report on CSR with the prescribed disclosures and reports & place the same on the Company's website as required under law.
- And generally comply with the provisions of law on CSR.

#### CSR Committee

CSR Committee will inter alia do the following:

Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder

Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes

Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required

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Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

and

Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

#### Modalities of utilization of CSR funds

- CSR activities will be undertaken either by the Company directly or through a Section 8 Company/registered Public Trust or a registered Society, having such registrations as required under the said Act/Rules.
- Where such entity is not established by the company, its track record in undertaking similar programs or projects would be considered while granting any contribution.
- The Company will specify the project or programme to be undertaken through these entities, the modalities of utilization of funds on such projects or programs and the monitoring and reporting mechanism.
- The Company may also collaborate with other companies for undertaking projects or programs in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the prescribed CSR Rules.
- The Company may build CSR capacities of its own personnel as well as those of the implementing agencies through institutions with established track records, subject to the prescribed CSR Rules.

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## MONITORING AND ASSESSMENT

- Release of funds for CSR Project/Programme:

The amounts sanctioned for a CSR project or programme, will be released in full or in stages or installments as per progress, as may be determined by the CSR Committee and as may be verified by the CFO of the company. CSR Committee may design the procedure/ guidelines applicable from time to time and release of funds to any project in a year shall be as per the guidelines finalized by the CSR Committee.

- Review by Board/CSR committee/ Steering Committee:

On a periodical basis, the Board of Directors, CSR Committee will review the implementation of CSR.

- Utilisation Certificate:

Funds released/to be released to the implementing agency would be generally based on satisfactory utilization certificate duly certified by the Chief Financial Officer or the person responsible for financial management, as may be decided by the CSR Committee.

- External Agency assessment:

The impact assessment/evaluation of major projects may be carried out by an external agency to critically assess the fulfillment of project objectives, subject to the applicable CSR Rules.

- Reporting in the Annual Report of the Company:

CSR Policy and initiatives of the Company will be reported in the Annual Report of the Company in the manner prescribed under the CSR Rules. All the reports would be documented and hosted on the Company website also.

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## 1. Annual Action Plan

The CSR Committee of the Board of Directors of the Company shall on an annual basis, recommend an Annual Action Plan to the Board for its approval. The Annual Action Plan shall include:

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

Further, the Board may during the year, at the recommendation of the CSR Committee alter such plans.

## GENERAL

The CSR Policy referred to above is to be read in conjunction with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014, as amended from time to time. This Policy is subject to review from time to time



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