

1 PREFACE

- 1.1 Section 135 of the Companies Act 2013, dealing with Corporate Social Responsibility, has become operational from 1st April 2014. The Section has prescribed that the Corporate Social Responsibility Committee (CSR Committee) has to formulate and recommend to the Board a Corporate Social Responsibility Policy.
- 1.2 Based on the recommendation of CSR Committee, a Corporate Social Responsibility Policy (CSR Policy) has been formulated with a view to provide the scope for the CSR Committee to deal with the matters which are prescribed under the Companies Act 2013 and the Listing Agreement.
- 1.3 The CSR Policy will be placed on the Company's website at www.chamundeswarisugars.in.

2 PRIMARY OBJECTIVES

The primary objective of Corporate Social Responsibility is the commitment of the company to contribute for sustainable economic development and social welfare like education, health, water, environment and community welfare.

3 COMPOSITION OF CSR COMMITTEE

- 3.1 The CSR Committee shall consist of minimum of three Directors as members of the Committee, out of whom at least one member will be an Independent Director.
- 3.2 The members of CSR Committee shall elect a Chairman from amongst themselves. The Chairman of CSR Committee may be an Independent Director.
- 3.3 The Chairman of CSR Committee may be present at the Annual General Meeting to answer shareholder queries, if any.

4 SECRETARY

Company Secretary shall act as Secretary to the CSR Committee.

5 MEETINGS

The CSR Committee shall meet at such intervals as the Committee may deem necessary.

6 QUORUM

At least two members of the Committee, one of whom shall be an Independent Director, should be present to form a quorum.

7 CSR ACTIVITIES / AREAS TO BE COVERED

7.1 Over the years the Company or Group has been involved in a number of community focused activities, in the areas of health, education and preservation of the country's rich culture and heritage. Continuing the tradition, it is recommended that the Company may focus primarily on the following activities (hereinafter referred to as "CSR activities"):

- a. Eradication of extreme hunger, poverty and malnutrition; and Provision of safe drinking water;
- b. promotion of preventive and general health care, sanitation; reducing child mortality and improving maternal health;
- c. Combating malaria, leprosy and other diseases and providing rehabilitation to people affected by leprosy, drug addicts, etc.;
- d. Promotion of education, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently-enabled persons; and Promotion of livelihood enhancement projects.
- e. Promotion of gender equality, empowering women; setting up of homes, hostel for women and orphans; 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.
- f. Ensuring environmental sustainability; ecological balance; protection of flora and fauna, animal welfare; agro forestry; conservation of natural resources; and maintenance of quality of soil, air and water.

- g. Protection of national heritage, art and culture, including restoration of buildings and sites of historical importance and works of art; setting up public libraries; and promotion and development of traditional arts and handicrafts.
 - h. Measures for the benefit of armed force veterans, war widows and their dependents.
 - i. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic Sports.
 - j. Contributions 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 SC/ ST/OBC, minorities and women.
 - k. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
 - l. Contributing to rural development projects; and
 - m. Such other activities and projects as may be covered in Schedule VII to the Companies Act 2013 from time to time.
- 7.2 Activities or projects that benefit only the employees of the company and their families shall not be considered as CSR activities.

8 IMPLEMENTATION OF CSR ACTIVITIES

The CSR activities shall be undertaken by the Company -

- a. Either directly or through a registered trust or a registered society or a company under Section 8 of the Companies Act 2013 established by the Company or its holding company or subsidiary company.
- b. Through trusts, societies or companies not established by the company or its holding company or subsidiary company having established track record of three years in undertaking similar activities or programs or projects.

- c. In the event of the Company undertaking its CSR activities through the entities mentioned in (b) above, the Company should specify the activities or project or the programme, the modalities of utilization of funds and the monitoring and reporting mechanism.
- d. By collaborating with other entities in such manner that the collaborating companies are able to report separately on the project or programme or activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules 2014.
- e. By contributing to eligible projects/funds.

9 EXPENDITURE

- 9.1 The Company shall endeavour to spend, in every financial year at least two per cent (2%) of the average net profits of the Company made during the three (3) immediately preceding financial years for CSR Activities.

For this purpose of "average net profit", profit shall be calculated in accordance with Section 198 of the Companies Act 2013, after deducting (a) the dividends received from companies in India which are covered under and complying with the provisions of Section 135 of the Companies Act 2013 and (b) income from foreign activities of the Company.

- 9.2 In the event of there being no profit calculated in the manner specified in para 9.1 above in any financial year, the Company is not obliged to spend any money on CSR activities in that financial year.
- 9.3 The Company will give preference to the local area(s) in and around our offices in India.
- 9.4 The Company may use their own personnel in executing the CSR activities and also effectively monitoring it. Any payment to be made to such personnel shall not exceed 5% of total CSR expenditure of the company in one financial year.

10 MONITORING PROCESS

- 10.1 The CFO / Company Secretary shall submit a Report to the CSR Committee on half yearly basis about the CSR activities undertaken by the Company, the amount spent in respect thereof and the proposal for spending the balance CSR expenditure, if any, to be incurred for complying with the requirements of the Companies Act 2013 and the Rules.
- 10.2 The CSR Committee shall review the Report submitted by the CFO/Company Secretary and take such steps as may be necessary for proper implementation of the CSR activities as approved by the Committee.
- 10.3 The CSR Committee shall report to the Board of Directors on the status of compliance of CSR policy by the Company.

11 CSR REPORTING

- 11.1 Board's Report shall include an Annual Report on CSR containing particulars as specified in the Companies Act 2013 and the rules relating to it.
- 11.2 If no amount is spent on CSR Activities, the reason for not spending two per cent (2%) of the average net profit shall be reported in the Boards' Report.

12 REVIEW OF CSR POLICY

The CSR Policy will be reviewed by the CSR Committee / Board to update the policy based on the regulatory changes from time to time.