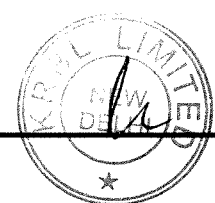




**KRBL** Limited

**Corporate Social Responsibility  
Policy and Guidelines**



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# KRBL LIMITED

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**CIN:** L01111DL1993PLC052845 **Website:** www.krblrice.com

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## **Draft of Corporate Social Responsibility Policy & Guidelines**

**(To Be Placed In the Board Meeting Held On August 5, 2014)**

### **1. CONCEPT:**

#### **1.1 Preambles.**

Corporate social responsibility (CSR) also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Business is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

KRBL Limited believes sustained growth of business lies on triple bottom line that is growth of people around our operation, protection of environment where we operate and profit from our business. We understand well being of the community around our business helps in growth of business and hence we value people around our operational locations and promote inclusive growth.

#### **1.2 Vision Statement.**

Endeavour to serve the society and achieve excellence.

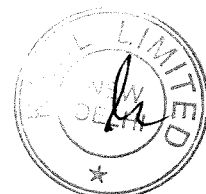
#### **1.3 Mission Statement.**

Strive to improve our image in the eyes of all stakeholders by ensuring wellbeing of community around our operation.

#### **1.4 Modalities of Execution of CSR activities.**

CSR activities shall be implemented by CSR Monitoring Committee in respective units directly, however the Company will value partnering with Trust and Societies with proven track record & excellence.

As far as possible, CSR initiatives shall be implemented in project mode with clearly defined objectives, allocation of resources and timeline.

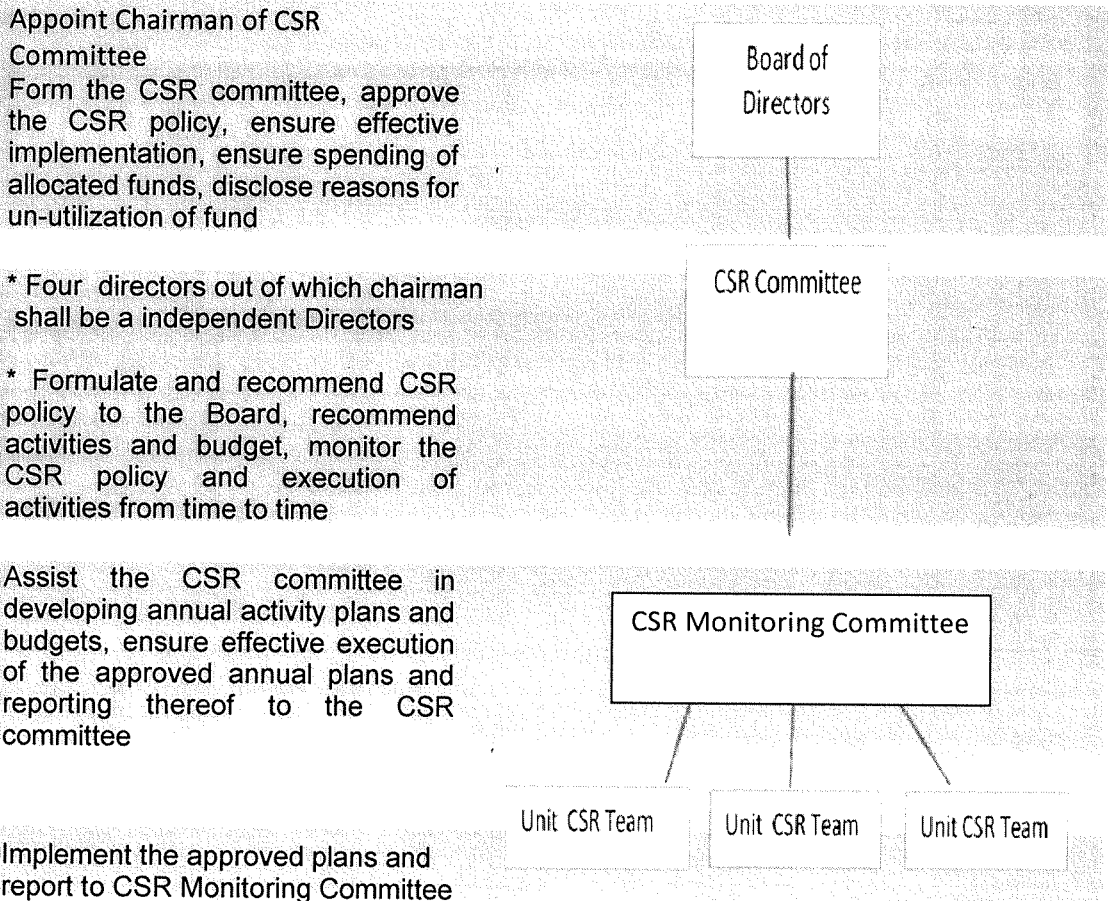


While executing CSR projects/ Programme/activities utmost care should be taken by CSR Monitoring Committee and to ensure active involvement of community/ beneficiaries in planning, implementation and monitoring. This is desired to ensure sustainable impact of our programme at community level.

**2. Governance:**

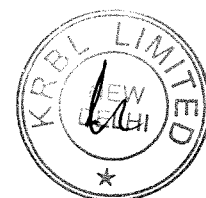
Section 135 of the Companies Act, 2013 Read with Rule of the Companies (Corporate Social Responsibility Policy) Rules, 2014 mandates that companies with a specified net worth or turnover or net profit are required to mandatorily spend 2 percent of its average net profit towards activities specified under Schedule VII of the Companies Act 2013.

**2.1 Organization Structure for governance.**



Head CSR shall report to Chairman of CSR Monitoring Committee, who in turn shall report to Chairman of CSR Committee both functionally as well as administratively only for CSR activities purpose. CSR manager in respective unit shall report administratively to respective unit Head and functionally to Head CSR.

The CSR Projects/Programmes will be implemented under authority of the following



### 2.1.1 Board of Directors.

The Board of KRBL Limited will be responsible for:

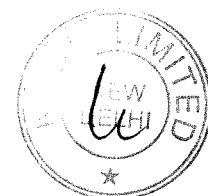
- (a) Approving the CSR policy as formulated by the CSR Committee.
- (b) Ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation excluding profits arising from overseas branches made during the three immediate preceding financial years.
- (c) Ensuring that funds committed by the Company in each financial year towards CSR activities are utilized effectively and monitor implementation regularly.
- (d) Disclosing the names of CSR Committee members, the content of the CSR policy and annual reporting of its CSR activities in its annual Board's Report as per the prescribed form.
- (e) The contents of the approved CSR Policy shall also be displayed on the Company's website.
- (f) Specify the reasons for unspent of the allocated CSR budget in the Board's Report. The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

### 2.1.2 CSR Committee:

- (a) The CSR committee will consist of four directors out of which, at least one are independent director.
- (b) The CSR Committee will be responsible for:-
  - (i) Formulating the CSR policy in compliance to Section 135 of the Companies Act, 2013 Read with Rule of the Companies (Corporate Social Responsibility Policy) Rules, 2014
  - (ii) Identifying activities to be undertaken as per Schedule VII of the Companies Act, 2013.
  - (iii) Recommending to the Board the CSR expenditure to be incurred.
  - (iv) Recommending to Board, for approval of CSR Policy and modifications to the CSR policy as and when required.
  - (v) Regularly monitoring the implementation of the CSR policy expenditure/activities.

### 2.1.3 CSR Monitoring Committee:

- (a) The CSR Monitoring Committee will assist the CSR committee in developing annual activity plans and budgets, ensure effective execution of the approved annual plans and reporting thereof to the CSR committee.
- (b) The CSR Monitoring Committee shall comprise of 5 (five) officers of the Company or such other person decided by Chairman of CSR Monitoring Committee/ Managing Director.



#### 2.1.4 Unit CSR Team:

- (a) Each of the Unit/Plant will have an Unit CSR Team. Unit Head of the respective units will be the Chairman of Unit CSR Team and unit CSR Officer and other officers shall be members of Unit CSR Team as decided by it's Chairman.
- (b) The Unit CSR Team Implement the approved plans and report to CSR Monitoring Committee the progress and amount spent at regular interval.

#### 2.2 Overall Budget & Resources for CSR.

- (a) Allocation of annual budget for CSR activities will be minimum 2% of average net profit of the Company during the three immediately preceding financial year.
- (b) Provision for allocation of annual CSR Budget will be made towards the thrust areas identified on a year on year basis:

#### 2.3 Powers of approval.

The expenditure to be incurred for the CSR activities/Projects/Programmes will be recommended by CSR Committee for approval of the Board. Similarly for meeting the immediate and urgent requirement funds the following authorities are required to approve the expenditure with following limits.

Purpose	Approving Authority
To approve the expenditure budget for the project/activities as per approved CSR Policy.	Board of Directors shall approve the CSR Budget and authorize MD/WTD/ Chairman of CSR Monitoring Committee for execution of projects as per approved budget. MD/WTD/Chairman of CSR Monitoring Committee in turn can sub-delegate and authorise any other officer of the company as they may deem fit for administrative convenience and smooth operations.

### 3 IDENTIFICATION OF PRIORITY AREAS:

Education, Health, Infrastructure, Skill Development; (Livelihood promotion and Women empowerment) shall be the prime focus for development of the community under CSR. Protection of environment as global mandate will remain an integral part of CSR initiative of the company. However the policy will be open to accommodate any activities as defined in schedule VII of Company's Act 2013 as and when required.

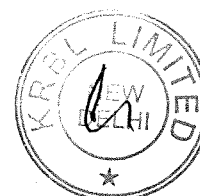
### 4 MONITORING MECHANISM OF CSR PROJECTS/PROGRAMMES:

CSR activities of the company will be monitored at following Levels

- a) Board Level
- b) CSR Committee Level
- c) CSR Monitoring Committee Level.
- d) Unit CSR Team Level

#### a) Board Level:

- (i) Board members will ensure company CSR expense is not less than 2% of average net profit of past three years.
- (ii) Board members will review CSR projects based on their output and impact.



**b) CSR Committee Level;**

- (i) Committee will hold a meeting on half yearly basis to review and monitor the progress of the various projects/activities undertaken.
- (ii) Committee members will ensure that the expenditure incurred towards project/activities as per the approved CSR Policy and comply Schedule-VII of the Companies Act, 2013.

**c) CSR Monitoring Committee Level:**

- (i) CSR Monitoring Committee will conduct half yearly review & planning meeting with all Unit CSR team in one location and share progress update to CSR Committee.
- (ii) CSR Monitoring Committee shall approve the resources required by Unit CSR Team and ensure that allocated resources utilised properly.
- (iii) CSR Monitoring Committee will prepare half yearly expenditure statement and share with CSR Committee.
- (iv) CSR Monitoring Committee will ensure activities planned and executed in line with listed activities as defined in schedule VII of Companies Act, 2013.

**d) Unit CSR Team Level:**

- (i) Unit CSR team will execute CSR activities against the plan for the year on regular basis.
- (ii) The team will also ensure expenditure are in line with planned activities.
- (iii) Unit CSR team of respective units will conduct monthly planning and review meeting with their respective team members and share Monthly progress report (MPR) with CSR Monitoring Committee.
- (iv)

**5 GENERAL:**

- In case of any doubt with regard to any provisions of the policy and difficulties, the interpretation and decision of CSR Committee will be final.
- Any or all the provisions of the CSR policy would be subject to the revision/ amendment in accordance with the guidelines on the subject as may be issued from Government from time to time.
- The Company reserves the right to modify, cancel, add or amend any of these Rules of the Policy.
- The surplus arising out of the CSR Projects or Activities shall not form part of the business profit of the Company.

**6. AMENDMENTS**

This policy can be modified or repealed at any time by the Board of Directors of the Company

