

CORPORATE SOCIAL RESPONSIBILITY POLICY, 2021

INTRODUCTION

IFFCO-MC's Corporate Social Responsibility (CSR) builds a dynamic relationship between the Company on one hand and the society and environment on the other.

CSR of IFFCO-MC is driven by a moral obligation and philanthropic spirit. The key objectives in Corporate Social Responsibility Policy (CSR) cover promotion of education, fight against hunger, providing medical relief and help in combating chronic disease and addressing environmental issues.

SHORT TITLE & APPLICABILITY

This policy encompasses the company's philosophy for delivering 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, is titled as the "**IFFCO-MC Ltd CSR Policy**". It has been prepared keeping in mind the company's business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, notified by the Ministry of Corporate Affairs vide Notification dated 22nd January 2021.

This policy shall apply to all CSR initiatives and activities taken up at the various locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

CSR VISION STATEMENT & OBJECTIVE

Corporate Social Responsibility of IFFCO-MC is a form of corporate self-regulation integrated into a business model. Therefore, the policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms.

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

DEFINITIONS

The terms defined in the 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 modifications or re-enactments thereof.

- **“Act”** means the Companies Act, 2013 including any statutory modification or re-enactment thereof.
- **“Average Net Profit”** means profit calculated as per Section 198 of the Companies Act, 2013.
- **“Board”** means the Board of Directors of the Company.
- **“Board’s Report”** shall mean the report of the Board of Directors prepared in accordance with section 134 (3) of the Companies Act, 2013.
- **“Company”** means IFFCO-MC Crop Science Private Limited.
- **“CSR”** means Corporate Social Responsibility.
- **“CSR activities”** means activities/ projects/ 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 schedule VII 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 & monitoring the adherence of 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.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

COMPOSITION:

As per first proviso of sub-section 1 of section 135 of the Companies Act, 2013, since the Company is not required to appoint the Independent Director under section 149 (4) of the Companies Act, 2013, therefore, it shall have its CSR Committee of two or more Directors.

Accordingly, the Company has constituted its Corporate Social Responsibility (CSR) Committee (“**the Committee**”) comprising of the following three Directors:

- 1) Mr. Yogendra Kumar - Chairman
- 2) Mr. Anurag Surana - Member
- 3) Mr. Anil Dhingra - Member

MEETING:

The Committee shall hold its meeting as and when required, preferably four meetings in a financial year, to discuss various issues on implementation of the CSR Policy of the Company.

QUORUM:

The quorum for CSR Committee meeting shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

SITTING FEES:

No Sitting fees shall be paid to the Directors for attending CSR Committee meetings.

BUDGET FOR CSR ACTIVITY & CSR EXPENSE

Pursuant to the provisions of Section 135 (5) of the Act, IFFCO-MC will, in every financial year, spend 2% of the average net profits of the Company made during the three immediately preceding financial years. Provided further that the Company shall

give preference to the local area or areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

ROLE OF CSR COMMITTEE

The Corporate Social Responsibility Committee shall;

- a. To 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 of the Companies Act 2013.
- b. To recommend the amount of expenditure to be incurred on the specified activities in a financial year.
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. To recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities.
- e. To formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy.
- f. To recommend the Board to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect.
- g. Any other aspect as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

ROLE OF BOARD OF DIRECTORS

- a. The Board of Directors shall after considering the recommendations made by the CSR committee, approve the CSR policy and the Annual CSR Action plan of the company.

- b. The Board of Directors shall endeavour that the Company spends 2% of the average Pre-tax net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.
- c. The Board of Directors of the Company shall make the appropriate disclosures of the policy in the Boards' report of the Company.
- d. The Board shall ensure that CSR activities shall be undertaken by the Company in accordance with this policy and shall exclude activities undertaken in pursuance of its normal course of business.
- e. The Board may extend a non-ongoing project beyond one year based on reasonable justification.
- f. The Board shall ensure that the CSR activities are either undertaken by the Company itself or through a registered and eligible Implementation Agency.
- g. The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes in the manner as approved by it.
- h. In case of an ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- i. The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
- j. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- k. Where the Company spends an amount in excess of the requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial year's subject to the condition that;

- 1) The excess amount available for set-off shall not include the surplus arising out of the CSR activities, if any.
- 2) The Board of the Company shall pass a resolution to that effect.

CSR ACTIVITIES

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.

- 1) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swach Bharat Kosh set- up by the Central Government for the promotion of sanitation and making available safe drinking water.
- 2) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 3) 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 group.
- 4) 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 5) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and work of art, setting up public libraries, promotion and development of traditional art and handicrafts.

- 6) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPS) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- 7) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
- 8) Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND) or any other fund set up by the Central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- 9) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.
- 10) Rural development projects.
- 11) Slum area development.
- 12) Disaster management, including relief, rehabilitation and reconstruction activities.

OFFICIALS FOR IMPLEMENTATION

The Company shall appoint officials at its business place (Corporate and State Office) to undertake, supervise and monitor the CSR activities and expenditures.

Such officers will be responsible to ensure that the expenditures are made in full compliance with this policy.

EXCLUSIONS

Corporate Social Responsibility (CSR) means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the CSR rules, but shall not include the following;

- a) Activities undertaken in pursuance of normal course of business of the Company.

- b) Any activity undertaken by the Company outside India except for the training of Indian sports personnel representing of any State or UT at national level or India at International level.
- c) Contribution of any amount directly or indirectly to any political party.
- d) Activities benefiting employees of the Company.
- e) Activities supported by the Companies on sponsorship basis for deriving marketing benefits for its products or services.
- f) Activities carried out for fulfilment of any other statutory obligation under any law in force in India.

CSR PROGRAMMES

CSR programmes can be undertaken at various locations i.e. Corporate Office/ States and other business places of the Company to the best possible extent within the defined ambit of the identified project/ programme. The time period/ duration over which a particular programme will spread, will depend on its nature, extent of coverage and intended impact of the programme.

GENERAL

In case of any doubt with regard to any provisions of the policy and in respect of matters not covered herein, a reference shall be made to the CSR Committee. In all such matters, the interpretation and decision of the Committee shall be final.

CONCLUSION

CSR Policy is subject to revision/ amendment in accordance with the guidelines as may be issued by the government from time to time. In addition, CSR Committee may review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.
