

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. PREAMBLE

Gokul Agro Resources Limited (GARL) understands its responsibility towards the society in which it operates and is initiating small but significant steps in bringing positive changes in the environment for sustainable development taking into the consideration the interest of various stakeholders. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. GARL has adopted CSR policy as a strategic tool for sustainable growth. For Company in the present context, CSR policy adopted is not just tool of investment of funds for Social Activity but also efforts to integrate Business processes with Social processes.

II. INTRODUCTION

Policy on Corporate Social Responsibility of Company is broadly framed taking into account the following measures: -

- i. eradicating hunger and poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. promotion of education, including special education and employment and employment enhancing vocation skills among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality and empowering women, 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;

iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;

v. protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

vi. rural development projects

III. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for the companies to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. Company will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

IV. SCOPE

In Education, our goal will be to improve the literacy level by financially supporting and promoting:

- Formal schools
- Balwadis for elementary education
- Quality primary education
- Girl child education

- Adult education programs
- Empowerment of women for education/health & self employment
- Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.
- Rain water-harvesting scheme.
- Empowerment to the villagers for maintenance of the above facilities for availability of water.

In Health Care our motive is to render quality health care facilities to needy people by supporting and promoting:

- Primary Health Care centers
- Mother and Child Care projects
- Immunization programs with a thrust on polio eradication
- Health Care for visually impaired, and physically challenged
- Preventive health through awareness programs.
- Water Supply including drinking water.
- Senior Citizen Health Care Wellness Clinics.
- To supplement the different program of Local/State Authorities

In Sustainable Livelihood our aim is to provide livelihood in a locally appropriate and environmentally sustainable by supporting:

- Formation of Self Help
- Groups for women empowerment
- Agriculture development and better farmer focus
- Partnership with Industrial Training Institutes
- Grant/Donation/Financial Assistance/Sponsorship to reputed NGOs of the Society/locality doing/involve in upliftment of the standard of the society.

In Rural Development our endeavor is to set up essential services that form the foundation of sustainable development through

- Basic infrastructure facilities
- Housing facilities
- Safe drinking water
- Sanitation & hygiene
- Renewable sources of energy

The above list is illustrative and not exhaustive. Members of CSR Committee shall be authorized to consider CSR activities not falling in this list.

All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society. As per Company Policy for payment of financial assistance / donation / sponsorship NGOs / Institution will furnish details as required by Company i.e. their Registration, PAN No. etc. to establish their authenticity.

V. IMPLEMENTATION

a) The investment in CSR should be project / programs / activity based and for every project / programs / activity time framed periodic mile stones should be finalized at the outset.

b) Project activities identified under CSR are to be implemented by Specialized Agencies and generally not by staff of the organization. Specialized Agencies could be made to work singly or in tandem with other agencies.

c) Such specialized agencies would include:

- Community based organization whether formal or informal
- Elected local bodies such as Panchayats
- Voluntary Agencies (NGOs)
- Institutes/Academic Organizations
- Trusts, Mission etc.
- Self-help groups
- Government, Semi Government and autonomous Organizations
- Standing Conference of Public Enterprises (SCOPE)
- Mahila Mondals/Samitis and the like
- Contracted agencies for civil works
- Professional Consultancy Organization etc.

VI. INSTITUTIONAL ARRANGEMENT

a) All proposals under CSR activity would be referred to Independent Director, who will evaluate the Project Report and submit its report to the Committee constituted for the purpose for their examination of/suggestion in report.

b) Project proposal for any CSR activity shall be examined by the Committee at their meeting after necessary discussion among members and if thought fit, will be approved.

c) The activities of the CSR Committee will also involve the following:

- To confirm the areas for undertaking activities under CSR and ensure to avoid duplicity of the job.
- To decide the priority of the activities to be undertaken under CSR.
- To interact with the CSR Implementing agencies for determining the activities to be undertaken.

- The Committee will monitor and review the progress of activities undertaken/completed.
- Delegation of Power for according approval of any project proposal would be as under:

Project proposal shall be approved by the Board of Directors of the Company on recommendation of the Committee.

d) The committee at Company level would be headed by the Board, and would include:

- i. Managing Director - Chairman
- ii. Executive Director - Member
- iii. Independent Director - Member

Company Secretary will be the Member Secretary

CSR Committee of Company would act as “NODAL” under the guidance of Company Secretary who would put up all cases to the Committee for consideration and approval of all projects.

VII. MONITORING

- a) Half yearly Report on CSR should be sent by subsidiary to Company highlighting the cumulative outlays and outcomes of the program in specific details.
- b) In every six months Board of Directors of Company as well as subsidiary should review the implementation of CSR.

c) Company as well as subsidiary shall include a separate/chapter in the Annual Report on the implementation of CSR activities / project including the facts relating to physical and financial progress.

d) Cost benefit and justification includes the amount of financial involvement, detailed project Report for which Project Appraisal have to be carried out by External Agencies / Third Party Agency.

e) Utilization Certificate with statement of expenditure duly certified by an Authorized Auditor will be submitted by the Organization / Institution to whom CSR fund is allocated.

VIII. SOURCE OF FUND

For funding against CSR to be executed by Company, 2% of retained profit of last year of Company shall be allocated for execution of CSR activities, out of which 1.5% should be allocated for the activities in the States which are not covered by subsidiary companies and also supporting the loss making subsidiaries and 1% should be allocated for carrying out the activities at local level. Appropriate Authority for CSR expenditure shall be Chairman/MD of the Company.

The CSR Project should be fixed for each financial year. This funding will not lapse. It will be transferred to CSR Fund which will accumulate on year to year basis.

IX. UPKEEP AND MAINTENANCE OF ASSETS CREATED

Maintenance of Assets created under CSR would be the Responsibility of the concerned Member and local representative of the Society. Before any Capital investment is made, an undertaking would be taken from the representatives of local community that they would be responsible for maintenance of the Assets.

Any surplus arising from the CSR projects / programs / activities shall not form part of the business profits of the Company but instead will be utilized further for CSR activities.

X. REFLECTION OF CSR ACTIVITIES

Annual audit of all activities undertaken by the Company would be done by Statutory Auditor. The CSR activities will be reflected in the Annual Report and Accounts of the Company under Social Overhead (CSR).

XI. CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken. The Company will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.