

CORPORATE SOCIAL RESPONSIBILITY POLICY

ARJUNA NATURAL PVT LTD.

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1. Approach to CSR

1.1 CSR Vision

Arjuna Natural Pvt Ltd. (hereinafter described as “Arjuna Natural”) is committed to the vision of creating inclusive India and would contribute towards it by adopting responsible and inclusive business practices that recognise and respect the interest of all its stake holders. In this endeavour Arjuna Natural will strive to enrich the quality of life in different segments of the society through its Corporate Social Responsibility initiatives.

1.2 Objective

Arjuna Natural since its inception has seen responsible to the society and has pioneered in undertaking activities which promote various social and charitable objectives.

In order to carry out the charitable activities in a structured manner and to streamline and provide more focus and direction to the activities undertaken by Arjuna Natural in its sphere, it is decided to formulate a policy on Corporate Social Responsibility (hereinafter described as “the Policy”). This policy has been prepared in line with the requirements of the Companies Act, 2013 (hereinafter described as “the Act”).

The key purpose of this policy is to:

- Define what CSR means to Arjuna Natural and the approach adopted to achieve its CSR Vision
- Define the kind of projects that will come under the ambit of CSR
- Identify broad areas of intervention in which the company will undertake projects
- Serve as a guiding document to help execute and monitor CSR projects

1.3 Scope

The policy would pertain to all activities undertaken by Arjuna Natural towards fulfilling its corporate social responsibility objectives. The policy would also ensure compliance with section 135 of the Act and would include the activities as covered under Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules 2014 and as amended from time to time.

This policy will apply to the organisation as a whole, including all divisions both present and future and corporate office of the company.

1.4 Rules Governing the CSR Policy

In view of the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Company is obliged to observe the below-mentioned provisions with respect to CSR Policy:

1. As per the CSR Policy, the Company shall undertake such CSR activities as projects or programmes (either new or ongoing) not comprising the activities undertaken in pursuance of its normal course of business.
2. The Company shall undertake its CSR activities only within India.

3. The Board of the Company may undertake its CSR activities through registered trust or registered society, or a company established by the Company or its holding or subsidiary or associate company under Section 8, operating in India, provided that, if such entities are not set up by the Company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar projects and programmes.
4. Provided that, before considering any such Trusts, Societies, or Section 8 Companies for the purpose of allocating funds, the Company should conduct a comprehensive "due diligence" of such organizations to ensure its expertise or track record in social projects and also, to ensure its political neutrality.
5. Provided also that, the Company has specified the projects or programmes to be undertaken through these entities, as well as specified modalities of utilization of funds and the monitoring and reporting mechanism on such projects and programmes.
6. The Company shall ensure that necessary details of its CSR initiatives are mentioned in the Board Report of the relevant financial year and on the Company's website in the prescribed format. (As per Annexure A)
7. The Company shall not consider the CSR activities as CSR projects or programmes or activities that benefit only the employees of the Company and their families. This may also encourage its employees to actively and voluntarily participate in the CSR initiatives undertaken by the Company.
8. Only the CSR projects or programmes or activities undertaken by the Company in India shall amount to CSR expenditure.
9. The corpus of the CSR activities would include the following:
 - a. 2% of the average net profits for the three preceding financial years
 - b. surplus arising out of CSR activities
10. In no case, the surplus arising out of the CSR activities shall form a part of "business profits" of the Company.
11. Contribution made by the Company of any amount directly or indirectly to any political party shall not be considered as "CSR activity".
12. The Company may build CSR capacities of its own personnel as well as those of their Implementing agencies through Institutions with established records of at least three financial years, however, such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.
13. CSR Reporting: The Board's report pertaining to the relevant financial year commencing on or after 1st day of April 2014, shall include an annual report on CSR containing particulars specified in Annexure A.
14. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR

Committees of the respective companies are in a position to report separately on such projects or programmes.

1.5 Territory for CSR spend

The Company shall give preference to the local area and areas around the branches, warehouses, marketing and administration offices and factories of the Company for spending the amount earmarked for CSR activities. The activities will be restricted to the geographical boundaries of India.

1.6 Areas of activities to be undertaken.

The activities will be executed directly or through registered and accredited trust, section 8 Company, society or NGO or in collaboration with other companies. The Company shall be undertaking activities in the following areas.

1.6.1 Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water

- Participating in the mid-day meal programs, providing financial assistance to orphanages, old age homes, child welfare organizations etc. for purchase of cereals, grocery, pulses etc. for providing nutritional food to the children and inmates.
- To spread awareness about the life style to be followed to prevent disease like diabetes, cardiac and respiratory diseases and lifestyle disorders.
- Promoting camps against use of alcohol, smoking, drug abuse etc.
- Partnering with organizations which volunteer for detection and prevention of chronic diseases, by conducting medical camps and other activities.
- To associate with schools, self-help groups, old age homes in setting up sanitation facilities and safe drinking water.
- To assist in installation of water purifiers, pumps and digging / renovation of wells in villages, townships, rural areas etc.
- To provide all assistance to poor people to prevent diseases.
- Any other projects related to the above.

1.6.2 Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects

- To provide Education financial aids / Kit comprising study material, uniforms etc. to the poor students.
- Adoption of Govt. Schools and / or providing financial assistance to set up various infrastructure facilities.
- To provide financial assistance to promote vocation skills among children, women, elderly and differently abled people.
- To extend support /educational assistance to children from financially backward families and underprivileged community as part of the company's social responsibility.

- To provide cash awards to students studying in School / Colleges and has secured high academic / professional records.
 - Any other projects related to the above.
- 1.6.3 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 groups
- Activities to prevent discrimination of girl child and promote girl education and employment.
 - Activities for women empowerment and health care of pregnant women.
 - Support old age homes.
 - Support orphanages.
 - Any other project related to the above.
- 1.6.4 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
- In Association with various local authorities, as part of promotion of green environment, conduct awareness programs / distribute reusable recyclable carry Bags to various households.
 - To provide all support for encouraging organic farming
 - Any other projects related to the above.
- 1.6.5 Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art and setting up of public libraries
- To provide financial assistance to local museums, heritage centers for upholding the heritage value.
 - To set up public libraries in association with local authorities in rural areas.
 - Any other projects related to the above.
- 1.6.6 Measures for the benefit of armed forces veterans, war widows and their dependents
- Any project related to the above.
- 1.6.7 Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
- To provide financial assistance to centers engaged in promoting sports / providing training to promote rural sports, nationally recognized sports and Olympic sports.
 - Any other projects connected related to the above

1.6.8 Contribution 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 the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women

- Any activity related to the above.

1.6.9 Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

- To provide financial assistance to labs & R & D centers situated at institutions of national excellence and other academic institutions which are approved by the Central Government.
- Any other activity related to the above

1.6.10 Rural Development projects

- To carry out or provide financial assistance to various rural development projects in association with local bodies.
- Any other project related to the above.

1.7 Activities not to be counted as CSR by the Company.

- Any amount of expenditure on an item not in conformity or not in line with activities mentioned in the schedule VII of the Companies Act, 2013.
- Amount spent on projects or programs or activities that benefit only the employees of the Company and their families.
- Contribution of any amount to a political party.

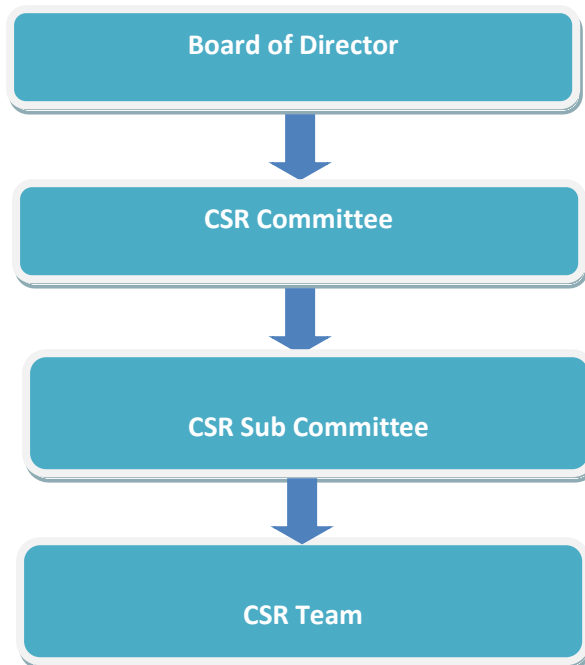
2. Policy Implementation

2.1 Governance Structure

The Board of Directors of Arjuna Natural shall oversee the CSR activities of Arjuna Natural through the CSR Committee. The CSR Committee shall administer via the CSR Team of Arjuna Natural.

The overall accountability shall be of on Board of Directors. The Board of Directors shall primarily monitor the alignment of the activities with the company's mission and vision and maintain transparency.

CSR Governance Organogram



2.2 Roles and Responsibilities of the Board of Directors

The Board shall perform the following duties as far as the CSR Policy of the Company and the activities relating thereto are concerned.

- Approve the “Corporate Social Responsibility Policy” for the Company after considering the recommendations made by the CSR Committee
- Disclose the contents of the Company's CSR Policy in the Board Report and shall display the same on the Company's website as per the particulars specified in Annexure A
- Ensure that the activities included in the CSR Policy of the Company are undertaken by the Company
- Ensure that the Company spends at least two per cent (2%) of the average net profits of the Company made during the three immediately preceding financial years in every financial year

- Ensure that preference is given to the local area and areas around it where it operates, for spending the amount allocated for CSR activities
- Ensure that activities covered by the Company in its CSR Policy as CSR projects or programmes are within the scope of Schedule VII of the Companies Act, 2013 (Annexure C).

2.3 CSR Committee

For effectively carrying out the above-mentioned objectives, Arjuna Natural has setup a CSR committee.

2.4 Roles and Responsibilities of CSR Committee

In accordance with the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, following are the key responsibilities of the CSR Committee.

- Formulate the CSR policy and recommend the same to the Board for its approval
- Recommend the CSR activities/projects and the amount to be expended on such Activities / projects, to the Board that the Company will undertake during the relevant financial year
- Monitor the implementation of the CSR activities / projects from time to time
- Institute a transparent monitoring mechanism for implementation of the projects /programmes/ activities undertaken or proposed to be undertaken by the Company
- Provide “Responsibility Statement” in the Annual Report, stating that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and Policy of the Company
- Interact with the Governmental and Non – Governmental Bodies as and when required in relation to implementation of CSR activities/projects under this Policy
- Ensure receipt of Utilization Certificates along with Statement of Expenditure, duly certified by the Chartered Accountant of repute, by the organizations/institutions to whom CSR Fund is allocated/by whom CSR Fund is spent
- Review performance of the Company in the area of “Corporate Social Responsibility” and decide the priority of the activities to be undertaken
- Ensure that the conduct of the CSR Policy is in line with the overall “Sustainability Objective” of Arjuna Natural.

2.5 Roles and Responsibilities of CSR Sub Committee

Following will be the responsibilities of the CSR Team:

- CSR Internal Budgeting
- Conduct feasibility study of CSR project identified or conceptualised by CSR Team.
- Review CSR Project implementation plan prepared by CSR Team
- Recommend CSR projects to the CSR committee
- Monitor CSR Projects on regular intervals

2.6 Roles and Responsibilities of CSR Team

Following will be the responsibilities of the CSR Team:

- Identification, selection, planning, execution, supervision, coordination and monitoring of various programmes/projects and activities under CSR
- Reporting to the CSR committee, Volunteer Management, Review and Recommend NGOs and Implementation agencies.
- Documentation of all CSR Projects

2.7 Budget & Approval

The budgetary allocation for CSR Projects/activities for the year will be based on the profitability of the company. The budget allocation for the CSR Projects will be 2% of the Average Net Profits of the Company made during the three immediately preceding financial years.

The budget allocated for CSR Projects/activities planned for each financial year is expected to be spent within that year. If in any financial year the Company couldn't spend the budgeted amount due to any reason whatsoever, the unutilized amount will be carried forward and added to the budget of the next financial year. If the Company fails to spend such amount, the Board shall, in its Report, specify the reasons for not spending the amount.

The Company will give preference to the local area and areas around the Divisions where it operates, for spending the amount earmarked for Corporate Social Responsibility Projects / activities.

The budget for CSR Projects/activities will be sanctioned by the Corporate Office at the beginning of the financial year. The Projects/activities are to be implemented by CSR Team as per the Delegation of Powers.

3. Monitoring, Auditing, Evaluating and Reporting Framework

To ensure funds spent on CSR programs are creating the desired impact on the ground, a comprehensive monitoring and reporting framework is being put in place. The monitoring and reporting mechanism is divided into the following areas:

1. Progress Monitoring
2. Audit of CSR Expenditure
3. Impact Assessment
4. Report and Communication

The CSR Team will present their annual budgets and list of programs, projects, and activities to the CSR Committee for its approval. The Committee will in turn evaluate the projects based on the identified project selection criteria and recommend this to the Arjuna Natural's Board for its final approval. The CSR Committee shall monitor the amount of expenditure as approved by the Board of Company on a quarterly basis and make report to the Board of Directors on half yearly basis.

3.1 Progress Monitoring

The CSR Team shall do monitoring and it will include:

- Obtaining all relevant progress reports from the project, studying them and making a note of the gaps.
- Holding discussions with the implementation team on reasons for slippages (if any) and agreeing on a corrective action.
- Holding discussions with the implementation team regarding what lessons are emerging and how they can be applied within the project as well as outside to improvise on the project impact.

3.2 Audit of CSR Expenditure

The CSR expenditure will be audited on quarterly basis by the Internal Audit department of the company to confirm that the spent are for the CSR projects/ programs or activities approved by the Board of Directors of the company and are in conformity with the act, and the rules thereof.

3.3 Impact Assessment and Evaluation

Evaluation shall be done against clearly defined objectives. For this a robust evaluation plan for each CSR activity is being put in place. CSR Committee shall decide whether it will be internal, external or third party evaluation to ensure objective assessment across baseline and end line parameters.

3.4 Report and Communication

Arjuna Natural CSR Committee will prepare the annual CSR report, as per the prescribed format in the Act, to be filed by the Company on approval of the Arjuna Natural Board of Directors. This report will ensure:

- CSR projects and programmes are being properly documented. All individual projects reports shall be consolidated for a program related report, which shall be aligned with Arjuna Natural's CSR policy.
- An MIS is maintained on expenditure across sectors and geographies and beneficiaries impacted.

The report shall provide activity-wise reasons for spends as prescribed by the CSR Act and an undersigned responsibility statement that the CSR policy, implementation and monitoring process is in compliance with the CSR objectives, in letter and in spirit.

4. Display of the CSR Policy in the website of the Company

This policy approved by the Board of Directors of the Company in their meeting has been placed in the website of the Company.

5. Validity and authority for modification/ amendments

This CSR Policy approved by the Board of the Company is effective from 1st April, 2014 and will be in force till such time it is modified or amended by the Board of Directors on recommendation of the CSR Committee.

ANNEXURE A

FORMAT FOR THE ANNUAL REPORT ON CSR INITIATIVES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the Company's CSR Policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:
2. The composition of the CSR Committee:
3. Average Net Profit of the Company for last three financial years:
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
5. Details of CSR spent during the financial year:
 - a) Total amount to be spent for the financial year:
 - b) Amount unspent, if any;
 - c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area/others 2.specify the state and District where projects or programmes were undertaken	Amount outlay (budget): Project or Programme wise	Amount spent on the project/ programme Sub-heads: 1.Direct expenditure on projects or programmes 2.Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1							
2							
3							
	Total						

*Give details of Implementing Agency

6. In case, the Company has failed to spend the two percent of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount in it's Board report.
7. A Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is, in compliance with the CSR objectives and Policy of the Company.

Signed

.....

Chairman, CSR Committee

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(Chief Executive Officer or Managing
Director or Director)

ANNEXURE B

CORPORATE SOCIAL RESPONSIBILITY Section 135 [Companies Act, 2013]

1. Every company having “net worth” of rupees five hundred crore or more, or “turnover” of rupees one thousand crore or more or a “net profit” of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
2. The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
3. The Corporate Social Responsibility Committee shall —
 - a) 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;
 - b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
 - c) Monitor the Corporate Social Responsibility Policy of the company from time to time
4. The Board of every company referred to in sub-section (1) shall—
 - a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
 - b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company
5. The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount;

Explanation— for the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

ANNEXURE C

Schedule VII (Companies Act, 2013)

Following are the activities that may be included by companies in their corporate social responsibility policies:

They are activities relating to:

- I. Eradicating hunger, poverty, malnutrition, promoting healthcare including preventive health care, sanitation including contribution to the Swachh Bharat Kosh set up by the Central government for the promotion of sanitation and making available safe drinking water
- II. Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- III. Promoting gender equality and 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 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 buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- VI. Measures for the benefit of armed forces veterans, war widows and their dependents;
- VII. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- VIII. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- IX. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- X. Rural development projects
- XI. Slum area development - where the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force."

ANNEXURE D

DEFINITIONS

1. **Corporate Social Responsibility (CSR)**” means and includes but is not limited to:-
 - I. Projects or programmes relating to activities specified in Schedule VII to the Act; or
 - II. Projects or programmes relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company, subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
2. **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act, 2013.
3. **“CSR Policy”** relates to the activities to be undertaken by the company as specified in Schedule VII of the Act and the expenditure thereon, excluding activities undertaken in pursuance of the normal course of business of a Company.
4. **Net Profit”** means the net profit of a company as per it’s financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
 - a) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - b) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act:
5. **CSR Expenditure**

It shall include all expenditure including contribution to corpus or on projects or programmes relating to CSR activities approved by the Board on the recommendation of it’s CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities falling within the purview of Schedule VII of the Act.