

**GOBIND SUGAR MILLS LIMITED**  
**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**Introduction:**

Whereas strictly speaking, the provisions of Section 135 relating to Corporate Social Responsibility were not applicable to the Company since it did not fulfil any of the criteria as mentioned in that section. But as a measure of following good corporate governance practices, the Corporate Social Responsibility Policy was voluntarily adopted by the Board of Directors in its meeting held on 6<sup>th</sup> August 2014.

In alignment with the vision of the Adventz Group, Gobind Sugar Mills Limited through its CSR initiatives is committed towards building a sustainable enterprise for the benefit of its present and future generations of stakeholders and will continue to enhance value creation in the society and in the community in which it operates as a Socially Responsible Corporate. The Company is engaged in various social initiatives through its interventions in the area of Education, Infrastructure, Health care, Women Empowerment, etc. These activities are carried out by the Company individually, or as part of the Adventz Group or through “Adventz Foundation” a society registered under the Societies Registration Act, 1940 or in partnership with NGO’s and/ or Government agencies. In order to provide impetus to social interventions and make the entire process and activities more efficient, it is imperative to outline the Corporate Social Initiatives of the Company into a formal document.

This policy shall be read in line with the provisions of section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications as may be applicable and as amended from time to time.

**Effective Date:**

This policy shall be effective from the financial year beginning 1<sup>st</sup> April, 2014.

**Definitions:**

- “Act” means Companies Act, 2013

- “Board” means Board of Directors of the Company.
- “Directors” mean Directors of the Company.
- “Committee” means Corporate Social Responsibility Committee of the Company as constituted or reconstituted by the Board.
- “Company” means GOBIND SUGAR MILLS LIMITED.
- “Foundation” means Adventz Foundation

**Constitution of the Corporate Social Responsibility Committee (CSR Committee):**

The Committee shall be fully responsible for the monitoring and review of the implementation of this policy as per guidelines laid down from time to time. The Corporate Social Responsibility Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR policy to be consistent with the needs of the Company and applicable statutory requirement.

\*Members of CSR Committee currently comprises of:-

1. Mr. N. Suresh Krishnan (Chairman)
2. Mr. R. S. Raghavan
3. Mr. L. M. Chandrasekaran

\* *reconstituted by Board of Directors at its meeting held on August 04, 2017 in accordance with the provisions of section 135 of Companies Act, 2013.*

**Composition**

- a. The Committee shall be consisting of three or more directors, out of which at least one director shall be an independent director.
- b. Minimum of 2(two) Directors, shall form a quorum, out of which at least one director shall be an independent director.

- c. The composition of the Committee members shall be disclosed in the Annual Report.
- d. The term of the Committee members shall be co-terminus with the Directorship held in the Company.
- e. The Committee shall meet periodically and at such intervals as may be required.
- f. The Company Secretary of the Company shall act as the Secretary to the Committee.
- g. The confirmed minutes of the Committee meetings shall be placed before the Board.

The duties, functions and scope of the Committee:

- 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 of the Act read alongwith the rules made thereunder ;
- 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.
- d) The Board shall, after taking into account the recommendations made by the CSR Committee, consider and approve the CSR Policy as it may consider appropriate.
- e) The Board of Directors of the Company shall ensure that Company spends the requisite amounts specified under the Companies Act, 2013 on CSR activities failing which it shall specify in its report the reason for not spending the amount.

- f) The Board or CSR Committee shall delegate necessary powers for execution and implementation of the CSR Policy. The delegation shall also include powers for meeting the requirements arising out of immediate & urgent situations.

**Purpose of the Policy:**

The following are the broad purposes of this policy;

- To define the kind of projects/ activities that will come under the ambit of CSR;
- To identify broad areas of activities in which the company will undertake projects;
- To give directions for implementation of various projects and monitor the CSR activities/projects undertaken by the Foundation
- To execute and monitor CSR projects and to identify partners, if required for implementation of the CSR activities.

**Objectives:**

**Activities for social and inclusive development**

The Company shall undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of the areas where the facilities of the Company are located. Such activities may include:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

- 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;
- 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;
- 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;
- Measures for the benefit of armed forces, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- 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;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects;
- Slum area development; (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)
- Such other matter as may be prescribed from time to time as CSR activity.

The following activities and the amount, if any spent, shall not be considered as CSR activities and shall not be included in computing the CSR expenditure

- i. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure;
- ii. Expenses incurred for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) applicable to the Company would not count as CSR expenditure under the Companies Act;
- iii. All activities undertaken in pursuance of normal course of business;
- iv. All activities undertaken outside India;
- v. All activities or programmes undertaken to benefit only the employees of the company and their families;
- vi. Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- vii. Activity not covered within Schedule VII of Companies Act, 2013.

The CSR Committee / Board shall be authorized to consider CSR activities within the CSR rules framed by the Ministry of Corporate Affairs not falling in the above list. All activities under the CSR activities should be environment friendly and should be in the interest of the society and the local population where the company's plants are situated. Any activity proposed to be undertaken as a CSR initiative, but not outlined in this Policy, may be undertaken only with the specific pre-approval from the CSR Committee / Board.

**Collaboration:**

The Company can form Collaborative partnerships with the Government, the District Authorities, the Village Panchayats, NGOs and other like-minded stakeholders after

taking prior approval of the CSR Committee / Board.

**Information dissemination:**

The Company's CSR activities shall be disseminated on its website and in the Annual Report of the Company.

**Source of Fund**

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, the Company shall endeavor to allocate the following as its annual CSR corpus:

- i, At least 2% of average net profits made during the three immediately preceding financial years, as prescribed under the Companies Act 2013, and the Rules
- ii. Any income arising therefrom and
- iii. Surplus arising out of CSR activities

It is clarified that surplus arising out of CSR projects/ programs shall not form part of business profits of the Company.

**Mode of implementation :**

CSR programs, projects or activities, will be implemented through one or more of the following methods:

- i. Directly by the Company;
- ii. Adventz Foundation;
- iii. Any other registered Trust, Society or Section 8/ Section 25 Company (i.e. Company registered under Section 8/25 of the Companies Act 2013/ Companies Act 1956) with an established track record of at least 3 years in carrying on activities in related areas and duly approved by the CSR committee / Board;

iv. in collaboration with other organizations

**Spending limits:**

All the expenditure relating to CSR shall be pre-approved by the CSR Committee. The Managing Director and / Unit Head / CFO shall jointly monitor the utilization of funds for the purposes set forth.

**Review of Expenditure**

CSR Committee shall have the powers to ask the Organization/ Institution to whom CSR fund is allocated to submit an Utilization Certificate with statement of expenditure duly certified by an auditor appointed/nominated by the Committee

**Upkeep and Maintenance of Assets Created**

Maintenance of Assets created under CSR would be the Responsibility of the Company. 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 and the disposal of such assets shall not be made without the prior approval of the CSR Committee.

**Documentation of CSR Activities**

It shall be the duty of the Company to keep all documents pertaining to the activities undertaken under CSR policy and submit the annual report to the CSR Committee / Board. The CSR activities will be reflected in the Annual Report and Accounts of the Company under (CSR).

**Amendments:**

The CSR committee / Board 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.