

POLICY (FY 2020-21)

IFFCO Kisan Sanchar Limited recognises its role and responsibility to address some of India's most pressing challenges relating to health, conservation of natural resources and to enhance the livelihood of rural people of the Country. IFFCO Kisan is committed to operate and grow its business in a socially responsible manner with the vision to initiate its projects in rural areas, where basic infrastructure is inadequate and socio-economic profile is relatively weaker.

This policy shall apply to all CSR initiatives and activities taken up at the various offices and locations of the Company spread across the Country, for the benefit of different segments of the society, specially the rural population of the Country.

IFFCO Kisan's CSR MISSION, VISSION AND OBJECTIVE

Mission:

IFFCO Kisan's mission is to contribute towards improving the quality of life of the communities living in rural areas.

Vision:

IFFCO Kisan through its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates, through its service, conduct and initiatives, so as to promote sustained growth of the society and community, in fulfilment of its role in a Socially Responsible Corporate, with environmental concern.

Objective:

The Objective of CSR Policy of IFFCO Kisan is:

- To ensure an increased commitment at all levels in the organization, to operate in an economically, socially and environmentally sustainable manner.
- To directly or indirectly undertake programmes that benefit the Communities in and around its area of operations and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
- To generate, through its CSR indicatives, a community goodwill for IFFCO Kisan and help reinforce a positive and socially responsible image of IFFCO Kisan, as a corporate entity.

IDENTIFICATION OF AREAS FOR CSR PROJECTS/ACTIVITIES/PROGRAMMES

The following areas for CSR projects or programs or activities may be identified;

- Installation of Water Cooler and Water tank in Villages.
- Distribution of Health Kits
- Soil Health – Soil Testing Kits

- Promotion of Farmers Producer Organisation (FPO)
- Training And Capacity Building Of Farmers
- Other Livelihood Enhancement Projects.

Rural Development projects such other CSR projects or activities as prescribed, which may amend time to time, under Schedule VII of Companies Act 2013.

Allocation of Funds:

In every Financial Year, the CSR Budget of the Company shall be at least 2% of the average net profits, calculated as per Section 198 of the Companies Act, 2013 during the immediately three preceding Financial Years. At the first meeting of the CSR Committee held during each Financial Year, it shall be apprised of the CSR activities/ projects to be undertaken during the year and the amount proposed to be spent on each project. The CSR Committee shall consider the same and recommend to the Board for approval.

The surplus arising out of the CSR activities / projects / programmes shall be utilised in future in the CSR activities only.

IMPLEMENTATION MODALITIES AND SUPERVISION:

Annual CSR Plan:

An Annual CSR Plan of the Company for each financial year shall be prepared, specifying the CSR projects/ Activities/ Programs to be undertaken/implemented during that Financial Year. This Annual CSR Plan shall be in line with the CSR Policy of the Company and can be reviewed and amended by the CSR Committee from time to time to incorporate/resolve the changes/difficulties arise during the course of implementation of the Annual CSR Plan.

Implementation Modalities:

CSR Projects/ Activities/ Programs of the Company shall be implemented either directly by the Company itself or through the NGOs/ Trusts and Societies eligible for the same.

IMPLEMENTATION PROCESS, TERMS OF REFERENCE AND RULES OF PROCEDURE OF CSR COMMITTEE

Salient Features of CSR Committee:

Salient features of CSR Provisions under the Companies Act, 2013 and Companies (CSR) Rules, 2014 are mentioned below:

- The CSR Committee shall formulate and recommend a CSR Policy to the Board, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII and recommend the amount of expenditure to be incurred on these activities. CSR Committee will also monitor the

implementation of CSR Policy of the Company from time to time through a transparent monitoring mechanism.

- The Board of Directors shall after taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company and contents of such Policy shall be disclosed in the Directors Report and shall also be placed on the Company's website. Board shall also ensure that the activities included in CSR Policy of the Company are undertaken by the Company.
- The Board of Directors shall also ensure that in every financial year Company spends at least two per cent of its the average net profits made during the three immediately preceding financial years, in pursuance of CSR Policy. If a Company fails to spend such amount, the Board shall, specify the reasons for not spending the amount in the Directors Report.
- Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.
- CSR activities can be undertaken through a registered trust, society or Not for Profit Company established by the Holding, Subsidiary or Associate Company.
- Amount incurred on CSR Activities carried in India only would be amounting as CSR Expenditure.
- CSR activity/ Project that benefits the employees of the Company only would not be counted as CSR Activity.
- Direct or indirect contribution to Political Parties shall not be treated as CSR Activity.

Terms of Reference of the CSR Committee:

The terms of reference of the CSR Committee are mentioned below:

(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 Act;

To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(c) To monitor the Corporate Social Responsibility Policy of the company from time to time.

(d) Any other matter as the CSR Committee may deem appropriate after approval/ directions of the Board of Directors from time to time.

Rules of Procedure:

(a) Meetings shall be held at such times as the CSR Committee deems appropriate, and in any event shall be held not less than twice a year.

(b) Quorum for the meetings of CSR Committee shall be of two members.

Reporting:

The details of CSR activities / projects undertaken during the year and the amount spent thereon shall be placed before the CSR Committee for review and thereafter shall also be placed before the Board. The Board shall also report the same to the shareholders by way of Annual CSR Report as Annexure to their Report. The CSR Committee shall be responsible for broadcasting the details of CSR activities in the public domain during the course of the year.