

CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY
OF
PICCADILY AGRO INDUSTRIES LIMITED

1. INTRODUCTION:

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Piccadily Agro Industries Limited (“PAIL”) to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

PAIL recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavors to make CSR a key business process for sustainable development. PAIL is responsible to continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our company is committed towards aligning with nature; and has adopted eco-friendly practices. PAIL is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013 and related Rules.

2. AIMS & OBJECTIVES

- (i) To develop a long-term vision and strategy for PAIL’s CSR objectives.
- (ii) Establish relevance of potential CSR activities to PAIL’s core business and create an overview of activities to be undertaken, in line with Schedule VII of the Companies Act, 2013.
- (iii) PAIL shall promote projects that are :
 - (a) Sustainable and create a long term change;
 - (b) Have specific and measurable goals in alignment with PAIL philosophy;
 - (c) Address the most deserving cause or beneficiaries.
- (iv) To establish process and mechanism for the implementation and monitoring of the CSR activities for PAIL.

3. COMMITTEE COMPOSITION

The CSR Committee of the Board shall consist of at least three (3) Directors out of which one (1) shall be an Independent Director. Members of the CSR Committee may be replaced by any other member of the Board.

4. COMMITTEE MEETINGS

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities relating to it.

5. DUTIES & RESPONSIBILITIES OF CSR COMMITTEE

- (i) Review of the CSR activities to be undertaken by PAIL. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Companies Act, 2013 and appended to this Policy as **Annexure - 1**. Annexure 1 may be revised in line with any amendments/inclusions made to Schedule VII of the Companies Act, 2013.
- (ii) Formulate and recommend to the Board the CSR activities/programs to be undertaken by PAIL.
- (iii) Recommend the CSR Expenditure to be incurred on the CSR activities/programs.
- (iv) Institute a transparent mechanism for implementation of the CSR projects and activities. Effectively monitor the execution of the CSR activities.
- (v) Prepare an annual report of the CSR activities undertaken for PAIL and submit such report to the Board.

6. RESPONSIBILITY OF THE BOARD

- (i) Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR committee;
- (ii) Ensure the CSR spending every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the Policy;
- (iii) Ensure that CSR activities included in the CSR Policy are undertaken by PAIL and that such activities are related to the activities specified in Schedule VII of the Companies Act, 2013;
- (iv) Ensure disclosure of the contents of the CSR Policy on the PAIL website;
- (v) Directors' Report for FY 2014-15 onwards to include:
 - (a) Contents of the CSR Policy and Composition of the CSR committee;
 - (b) An annual report on the CSR in the prescribed format as per **Annexure- 2**;
 - (c) Reasons for failure (if any) to spend required amount on CSR activities;
- (vi) PAIL shall undertake the CSR activities directly. The Board may, in the future, decide to undertake and implement its CSR activities through a registered trust or registered society or a Section 8 company (Non-profit entity) established by the PAIL Group. In case the trust, society or a Section 8 company is not established by the company or its holding or subsidiary or associate company, then such an entity will need to have a 3 years track record of undertaking similar projects or programmes.

7. CSR EXPENDITURE

- (i) In every financial year, PAIL shall spend a minimum of 2% of its average Net Profits in the immediately preceding three (3) financial years. Average Net profits shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Companies Act, 2013; Net Profits shall exclude (a) profits arising from any overseas branch or branches of PAIL (whether operated as a separate company or otherwise); or (b) dividend received from other companies in India.

- (ii) CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the approved CSR activities.
- (iii) CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- (iv) CSR Expenditure shall not include Projects or programs or activities undertaken outside India.
- (v) The surplus arising out of the CSR activities or projects shall not form part of the business profit of PAIL
- (vi) Contributions by other PAIL affiliates or employees may also be received and utilized in respect of the CSR activities undertaken.

8. CSR ACTIVITIES – PROJECTS

- (i) The core CSR team in PAIL shall fulfill the Company's CSR commitment
- (ii) PAIL shall promote CSR activities/Projects in the field of :
 - A. Emphasize on providing basic nutrition/primary and preventive health care facilities with special focus on organizing health check up and blood donation camp and medical facilities to Hospitals;
 - B. **Promotion of Education**; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently-abled and livelihood enhancement projects; with special emphasis on the education of the girl child;
 - C. **Environment**: ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water.
 - D. **Rural sports**: Training to promote rural sports, nationally recognized sports, and para-olympic sports and Olympic sports
- (iii) PAIL may also undertake other CSR activities in line with Schedule VII.
- (iv) The CSR activities shall be undertaken in locations within India. PAIL shall give preference to the local areas and the areas around which PAIL operates while considering the activities to be undertaken and spending the amount earmarked for CSR activities. However, PAIL has a multi state presence and hence may be guided by the requirements of the specific CSR activity/program in determining the locations within India.

9. IMPLEMENTING CSR ACTIVITIES

- (i) The day to day implementation and execution of the CSR activities/projects shall be carried out through the PAIL Team, headed by **Mr. I.U. Khan**, President – Sugar unit and **Mr. C.B. Tiwari, President- Distillery Unit..**
- (ii) PAIL shall undertake the CSR activities directly and also through various implementing agencies such as, NGO's, non-profit organizations, etc. Such implementing agencies shall have an established track record as prescribed under the law.
- (iii) Some of the initiatives taken up by PAIL will facilitate the involvement of PAIL employees as PAIL volunteers in ongoing projects and events, giving them an

opportunity to engage in socially meaningful activities, thus, enabling them to realize their full potential and role as socially responsible citizens (Employee Volunteer Programs).

- (iv) The initiatives undertaken may be communicated to the employees through specific awareness campaigns, so as to enable maximum participation.
- (v) PAIL may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that each companies are in a position to report separately on such CSR projects
- (vi) **The following activities do not qualify as CSR Activities under the Companies Act, 2013:**
 - (a) Projects or activities not falling within Schedule VII (Annexure 1);
 - (b) Activities undertaken in pursuance of normal course of business;
 - (c) Projects or programs or activities that benefit only the employees of PAIL and their families
 - (d) Direct or indirect contribution to any political party

10. PAIL TEAM CAPABILITIES

PAIL may build and enhance the CSR capabilities and skills of its own personnel through institutions with established track record of minimum three financial years. The expenditure shall not exceed 5% of the total CSR expenditure of PAIL in one financial year.

11. CSR REPORTING

The Board in its Annual Report shall include the details of the CSR activities undertaken in the Financial Year. The particulars to be stated in the report shall be in the format prescribed in **Annexure - 2**. The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of PAIL, which statement shall form part of the Boards' Report.

12. WEBSITE DISPLAY

PAIL shall display on its website (www.picagro.com) the contents of its CSR Policy and other information as may be required to be displayed.

13. REVIEW AND AUDIT

- (i) The CSR committee shall be apprised on the implementation of the CSR activities and the progress shall be monitored on half yearly basis.
- (ii) PAIL shall through its internal controls, monitoring and evaluation systems implement, assess, document and report the impact of its CSR activities/projects.
- (iii) Records relating to the CSR activities and the CSR Expenditure shall be meticulously maintained. The Records shall be submitted for reporting and audit.
- (iv) The financial audits of the implementing agencies shall also be done through periodic audits. In this regard, PAIL may appoint independent external consultants for carrying out such audits.

14. AMENDMENTS

The Policy may be reviewed and amended from time to time.

CSR Activities Listed in Schedule VII of the Companies Act, 2013

CSR shall focus on social, economic and environmental impact rather than mere output and outcome. Activities which are ad hoc and philanthropic in nature shall be avoided. Various activities that can be undertaken in general under CSR are outlined below:

1. eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
2. promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects ;
3. promoting gender equality and 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;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining of quality of soil, air and water;
5. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, and paraolympic sports and Olympic sports;
8. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
10. rural development projects.
11. Slum area development (explanation- For the purposes of this item , 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 - 2

Format for the annual report on CSR activities to be included in the Board's Report (As per the CSR Rules, 2014)

1	2	3	4	5	6	7	8
Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area/others 2. Specify the state /district (Name of the District/s, State/s where project/programme was undertaken	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads: 1.Direct expenditure on project, 2.Overheads:	Cumulative spend upto to the reporting period.	Amount spent: Direct/through implementing agenc

In case the Company has failed to do the minimum mandated Corporate Expenditure, it shall provide the reasons for doing so in the Board Report.

A responsibility statement of the CSR committee shall also be included in the Board's Report

Date 20.01.2015

To

The BSE Limited,

Phiroze Jeejeeboy Towers,

Dalal Street, Mumbai – 400001/55

Regd. Compliance of section 135 of Companies Act 2013

Company No. (530305)

Dear Sir,

Please find enclosed herewith following:-

- Policy On Corporate Social Responsibility

Kindly take the documents on record.

Thanking you,

Yours faithfully,

For Piccadily Agro Industries Ltd.

Group Secretary