



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

CONTENTS

Clause No.	Particulars	Page No.
1	Preamble	3
2	CSR Policy	3
3	Scope and applicability	3
4	Objectives of CSR Policy	3-4
5	Resources	4
6	Funding and allocation	5
7	Volunteering of employees from the organization	6
8	CSR Thrust areas	6
9	Implementation	6
10	Monitoring process of CSR activities	7
11	Criteria of identifying CSR projects	7
12	Criteria for identifying third party CSR organizations	7-8

1. PREAMBLE

Section 135 of Companies Act, 2013 (“the Act”) mandates every company having a net worth of Rs.500 Crore or more or revenue of Rs.1,000 Crore or more or net profit of Rs.5 Crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility (CSR) Committee and the CSR Committee is responsible for formulating Company’s CSR policy and monitoring the CSR programs and their performance.

It is the Company's philosophy, firm belief and intent to effectively implement CSR and make a positive difference to society. It recognizes that it cannot do it all; so that if there are choices to be made, bias will be towards doing fewer projects with better outcomes and good impact and will focus initiatives on communities in which the Company lives, operates and particularly forming community whose development is the basic mission of the Company.

2. CSR POLICY

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

Prabhat Agri Biotech Ltd (PABL or the Company) believe that the actions of the organization and its community are highly inter-dependent. Both on its own and as part of NSL Group, through constant and collaborative interactions with our external stakeholders, PABL strives to become an asset in the communities where it operates. We actively implement our CSR Projects and initiatives for the betterment of society, communities, and the environment.

3. SCOPE AND APPLICABILITY

This policy shall be applicable to all CSR initiatives and activities undertaken by PABL either directly or through corporate foundations/trusts/other charitable organizations for the benefit of different segments of the society.

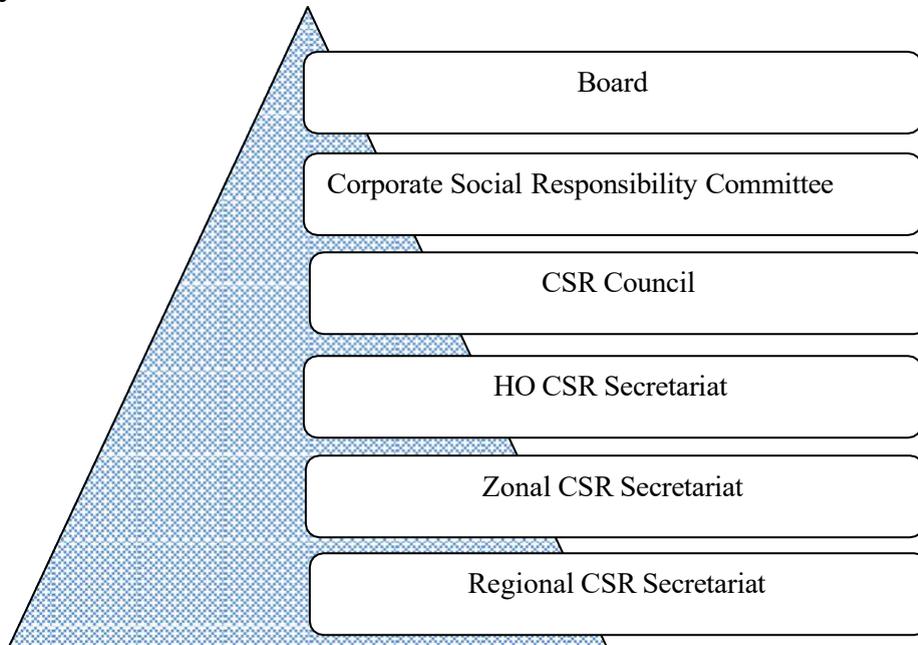
4. OBJECTIVE OF CSR POLICY

The objective of this policy is to continuously and consistently:

- Initiate projects that benefit communities;
- Encourage an increased commitment from employees towards CSR activities and volunteering.
- Generate goodwill in communities where PABL operates or are likely to operate;

5. RESOURCES

Structure



The Corporate Social Responsibility Committee (“CSR Committee” Board level) is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the CSR Council and to monitor the CSR Policy periodically. The CSR Council will be supported by the CSR Secretariat at Head Office made up of cross-functional team, Zonal CSR Secretariat at the zones and the Regional CSR Secretariat at regions, for implementation of the approved projects.

The CSR Committee of the Board of Directors comprises of the following Members:

- Dr. B.B. Pattanaik, Independent Director - Chairman
- Mr. N Sambasiva Rao, Independent Director - Member
- Dr. P. Sateesh Kumar, Director - Member

The following members are represented on the CSR Council, Head Office CSR Secretariat, Zonal CSR Secretariat and Regional CSR Secretariat:

CSR Council	Director – R&D, COO, CFO, Company Secretary (of holding company) and any Senior Management personnel appointed by CMD to oversee the CSR activities
Head Office CSR Secretariat	Volunteers from employees
Zonal CSR Secretariat	Zonal Head and Volunteers from employees
Regional CSR Secretariat	Regional Head and Volunteers from employees

6. FUNDING AND ALLOCATION

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% or more of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The annual allocations shall be credited to a fund called “PABL CSR fund” and the unspent CSR liability, if any, in any financial year shall be treated as per the provisions of the Act.

The Company may spend up to 5% of the total CSR expenditure in one financial year towards administrative overheads. The Company may also make contributions to Corporate Foundations/Trusts/other charitable organizations (NGOs) towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually on receiving the recommendations from CSR Council.

Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or transferred to the unspent CSR account or transfer such surplus to a fund specified in Schedule VII within a period of six months of the expiry of the financial year.

7. VOLUNTEERING OF EMPLOYEES FROM THE ORGANIZATION

The Company will encourage and recognize its employees for volunteering with the spirit of serving and sharing with the community.

The Company shall endeavor to increase employee participation at all levels in the Organization, by encouraging employees to participate in the Company's CSR activities.

8. CSR THRUST AREAS

The Company has identified CSR Thrust Areas for undertaking CSR Projects/ programs/ activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/Gram panchayat/ NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending. The CSR thrust areas are those prescribed by the Government from time to time under the Act. The CSR Committee shall approve and recommend to the Board the allocation of the CSR budget among various CSR projects / activities. The CSR Committee shall formulate and recommend an action plan on CSR on an annual basis for approval of the Board. The action plan shall cover the following details:

- a) List of CSR projects or programmes
- b) The manner of execution of such projects or programmes
- c) The modalities of utilization of funds and implementation schedules for the projects or programmes
- d) Monitoring and reporting mechanism for the projects or programmes and
- e) Details of the need and impact assessment, if any, for the projects undertaken by the Company.

The Board may alter such plan at any time during the financial year, as per the recommendations of the CSR Committee, based on the reasonable justification to that effect.

9. IMPLEMENTATION

The CSR Council shall ensure the implementation of the CSR Projects as per approved time schedules and within the approved budgets.

10. MONITORING PROCESS OF CSR ACTIVITIES

- To ensure effective implementation of the CSR activity at each location, a monitoring mechanism will be put in place by the CSR Council.
- Annual CSR Calendar activities will be cleared/ signed off by CSR Council.
- Any other donations will be cleared/ signed off by the Managing Director.
- Regional CSR Secretariat and Zonal CSR Secretariat will submit project requests to HO CSR Secretariat and further necessary route will be followed.
- The CSR Committee will monitor and review on a periodical basis the progress of CSR activities undertaken/ completed.
- All the CSR initiatives of the Company shall be reported in Directors' Report of the Company.
- In order to ensure transparency and communication with all stakeholders, the CSR Council and Secretariats will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Annual Report and Website of the Company.

11. CRITERIA FOR IDENTIFYING CSR PROJECTS

While identifying the projects all efforts must be made to the extent possible to define the following:

- a. Project objectives.
- b. Baseline survey – It would give the basis on which the outcome of the Project would be measured.
- c. Implementation schedules- Timelines for milestones of the Project will need to be prescribed.
- d. Responsibilities and authorities.
- e. Major results expected and measurable outcome.

12. CRITERIA FOR IDENTIFYING THIRD PARTY CSR ORGANIZATIONS

We may also undertake CSR projects through identified external agencies such as corporate foundations/trusts/other charitable organizations (NGOs) who would execute the said Project on our behalf. In case of Project execution by them the following minimum criteria need to be ensured:

- The NGO has a permanent office in India;
- The NGO is a registered society under Societies Registration Act / Public Trust Act/ not-for profit company under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956);
- The NGO possesses a valid Income-tax registrations under section 12A and 80G of the Income Tax Act;
- The NGO has an established track record of at least three years in undertaking similar activities
- The NGO has submitted a detailed project proposal and budget which has been approved by the CSR Council.
- The NGO fulfills other criteria / conditions specified from time to time under the Act.

The Company may also collaborate with other companies to undertake CSR Projects or Programs, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programs.