



KRBL Limited CSR Policy and Guidelines



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KRBL LIMITED

Registered office: 5190, Lahori Gate, Delhi-110006
Tel: 011-23968328 Fax: 011-23968327 Email: investors@krblindia.com
CIN: L01111DL1993PLC052845 Website: www.krblrice.com

Revised Corporate Social Responsibility (CSR) Policy **(Applicable w.e.f. 22 January 2021)**

1. CONCEPT

1.1 Preamble

Corporate Social Responsibility (CSR) also called corporate conscience, corporate citizenship, social performance or sustainable responsible business. Responsible Business is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. CSR is a process with the aim to embrace responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

KRBL Limited strongly believes that sustained growth of business lies on triple bottom line that is growth of people around our operation, protection of environment where we operate and profit from our business. We understand well-being of the community around our business helps in growth of business and hence we value people around our operational locations and promote inclusive growth.

The CSR Policy of KRBL Limited has been framed in accordance with the provisions of Section 135 of the Companies Act, 2013 ("Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules"), as amended and modified from time to time.

1.2 Vision and Mission Statement

Vision Statement

Endeavour to serve the society and achieve excellence.

Mission Statement

Play an active role in transforming the lives of communities by improving their socio-economic conditions.

1.3 Modalities for Execution of CSR Activities

All CSR Activities of KRBL Limited shall be undertaken by the Company either directly or through KRBL Foundation as formed by KRBL Limited or through any other Implementation Agency.



The term 'Implementation Agencies' shall mean to include any other Trust, Society or Company or any entity established under an Act of Parliament or a State Legislature or any other agency which is eligible to undertake CSR Activities, on behalf of the Company in compliance with the applicable Laws.

The Company will select its Implementing Agency after appropriate due diligence to ensure compliance with the requirements specified in the Companies Act, 2013 for carrying out CSR activities on behalf of the Company.

As far as possible, CSR initiatives shall be implemented in project mode with clearly defined objectives, allocation of resources and timeline along with the impact assessment on the same.

While executing CSR projects/ programme/ activities utmost care should be taken to ensure active involvement of community/ beneficiaries present in the ecosystem in planning, implementation and monitoring. This is desired to ensure sustainable impact of our programme at community level, which will drive positive change.

2. OVERALL BUDGET & RESOURCES FOR CSR

Every year KRBL Limited shall spend atleast 2% of its average Net profit as defined under the Rules during the three immediately preceding financial years, on the CSR Activities as per approved Annual Action Plan.

In case the Company spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

Any amount remain unspent at the end of the financial year, except in case of an ongoing project, shall be transferred to a Fund specified under Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.

In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'KRBL Limited Unspent Corporate Social Responsibility Account' for the respective year and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.

Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profits of the Company and shall be utilized towards the eligible CSR Activities/ addressed in accordance with applicable Laws.

3. GOVERNANCE AND MONITORING MECHANISM

3.1 Focus Areas for CSR

The Company is committed to support the CSR Activities undertaken in the following areas:

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



- II. Promoting 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, 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- V. Measures for the benefit of armed forces veterans, war widows and their dependents.
- VI. Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports.
- VII. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central government or any state government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- VIII. (a) contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
 (b) contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- IX. Rural development projects.
- X. Slum area development.
- XI. Disaster management, including relief, rehabilitation and reconstruction activities.
- XII. Any activities or subjects specified in Schedule VII of the Act.

The Company shall undertake only such CSR Activities, identified as per above and as permitted under the Applicable Laws.

In undertaking CSR Activities, the Company shall give preference to the local areas wherein the Company operates or has its offices i.e. areas in the vicinity of its factories, depots and field offices.



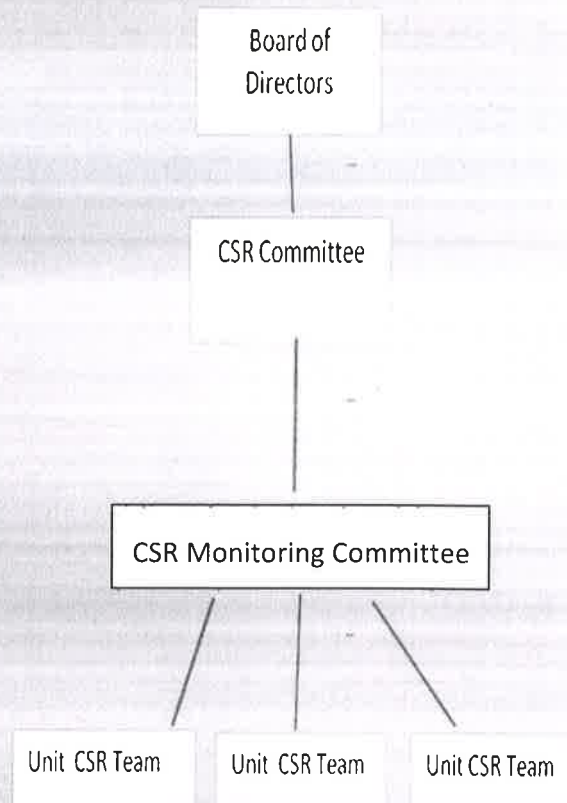
3.2 Organization Structure for Governance

Formation of CSR Committee, appointment of its Chairman, approval of CSR Policy and amendments thereto, approval of Annual Action Plan on CSR, ensure effective implementation, ensure spending of allocated funds.

Formulate and recommend CSR Policy and Annual Action Plan on CSR to the Board, recommend activities and Budget, monitor the CSR Policy and execution of activities from time to time.

Assist the CSR Committee in developing Annual Action Plan and Budget, ensure effective execution and implementation of the approved Annual Plans and reporting thereof to the CSR Committee.

Implement the approved plans and provide all necessary assistance to the CSR Monitoring Committee.



The CSR Projects/ Programme will be implemented under authority of the following:

3.2.1 Board of Directors

The Board of KRBL Limited will be responsible for the following:

- (a) To constitute the CSR Committee as per the Act and to appoint its Chairperson.
- (b) To approve the CSR Policy as formulated by the CSR Committee.
- (c) To ensure that the Company spends in every financial year at least 2% of the average net profits of the Company made during the three immediate preceding financial years.
- (d) To ensure that the activities undertaken by the Company are in compliance with the Act and Rules framed thereunder and CSR Policy of the Company.
- (e) To approve the Annual Action Plan on the recommendation of the CSR Committee and to update, alter, modify, amend, withdraw and replace the Annual Action Plan for justified reasons. The Annual Action Plan shall, inter alia, contain the following information with respect to the CSR Activity proposed to be undertaken by the Company:



- (i) list of CSR Activities to be undertaken in the relevant financial year;
 - (ii) local area where the CSR Activities are to be undertaken;
 - (iii) manner of execution;
 - (iv) modalities of utilisation of funds;
 - (v) implementation schedule;
 - (vi) monitoring and reporting mechanism; and
 - (vii) details of need and impact assessment, if any.
- (f) To review the status of implementation and fund utilization of the various projects and programme as per approved Annual Action Plan at least once in a year.
 - (g) To ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by the Board and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
 - (h) In case of ongoing project, to monitor the implementation of the project with reference to the approved timelines and year-wise allocation and to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
 - (i) To ensure that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company in one financial year.
 - (j) To disclose the names of CSR Committee Members, the content of the CSR Policy and annual reporting of its CSR activities in its Annual Board's Report as per the prescribed form.
 - (k) To specify in its report the reasons for not spending the funds committed to CSR projects/ programme if the Company fails to spend such funds and treat the unspent amount as per the provisions of the Act and rules framed thereunder.
 - (l) To ensure that any excess amount spent as part of CSR obligation shall be treated in line with the provisions of the Act and rules framed thereunder.

3.2.2 CSR Committee

The CSR Committee of the Board shall consist of three Directors of the Board, out of which at least one shall be an Independent Director. The CSR Committee shall be responsible for the following:

- (a) To formulate, modify and recommend to the Board the CSR Policy along with the Annual Action Plan as per the requirements under the Act, which shall include the following:
 - (i) To identify the list of CSR projects/ programme or activities, that are approved to be undertaken as specified under Schedule VII of the Act;
 - (ii) The manner of execution of CSR projects or programme;
 - (iii) The modalities of utilization of funds and implementation schedules for the CSR projects or programme;
 - (iv) To monitor the execution of CSR projects or programme and adherence to the CSR Policy from time to time;



- (v) To determine if the Company falls under the prescribed criteria to conduct impact assessment for the earlier projects undertaken by it- In the event of average CSR obligation of Rs. 10 crores or more in the three immediately preceding financial years, the Company shall ensure that impact assessment through an independent agency is carried out for CSR projects having an outlay of Rs. 1 crore or more. Expenditure incurred for such assessment shall not exceed 5% of the total CSR expenditure for the financial year or rupees fifty lakh, whichever is less.
- (b) To hold meetings at regular intervals to review and monitor the progress of the various projects/ activates undertaken.
- (c) Undertake Impact assessment through third parties for CSR projects whenever applicable;
- (d) To recommend to Board, the projects that are in line with the CSR Policy.
- (e) To recommend to the Board the amount of expenditure to be incurred on CSR projects or programme.
- (f) To ensure that any surplus arising out of the CSR projects/ programme or activities will not form part of the business profit of the Company and will be dealt with in accordance with the Act.
- (g) To regularly monitor the implementation of the CSR projects/ programme or activities undertaken by the Company.
- (h) To perform any other functions and ensure due compliance of the provisions of the Act, its Rules, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other laws or regulations from time to time.

3.2.3 CSR Monitoring Committee

CSR Monitoring Committee shall comprise of atleast 3 (Three) Officers of the Company. The role of the CSR Monitoring Committee Committee is as follows:

- (a) To assist the CSR Committee in developing Annual Action Plans and Budgets and to ensure the effective execution of the same and reporting thereof.
- (b) To conduct review & planning meeting with all Unit CSR team as and when required.
- (c) To approve the resources required by Unit CSR Team and ensure that allocated resources utilized properly.
- (d) To ensure that activities planned and executed in line with listed activities as defined in Schedule VII of Companies Act, 2013.
- (e) To perform such other functions and ensure due compliance of the provisions of the Act, its Rules, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other laws or regulations from time to time.

3.2.4 Unit CSR Team

- (a) Each of the Unit/Plant will have a Unit CSR Team. Unit Head or any other person as suggested by the CSR Monitoring Committee shall be the Chairman of the Unit CSR Team and Unit CSR Officer and other Officers shall be Members of Unit CSR Team as decided by its Chairman.



- (b) To implement the approved plans, to follow the instructions of the CSR Monitoring Committee and to report to CSR Monitoring Committee the progress and amount spent at regular intervals.
- (c) To ensure that the expenditures are in line with planned activities.
- (d) To conduct planning and review meeting with their respective team members as and when required.

3.2.5 Role of Implementation Agency

In case where the Company undertake the CSR Projects via Implementation Agency and not directly, such Implementation Agency shall be responsible for the following:

- (a) To devise a robust monitoring mechanism in order to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plans in compliance with the Applicable Laws and the provisions of this Policy.
- (b) To update the CSR Committee and the Board on the progress of CSR Activities and status of implementation of the Annual Action Plan from time to time.
- (c) To maintain records of all CSR Activities undertaken on behalf of the Company.
- (d) To do all such acts, deeds and things as may be directed by the CSR Committee in pursuance of the CSR Policy and for the effective implementation of the Annual Action Plan.
- (e) To comply with all other terms and conditions of the CSR Policy of the Company to the extent applicable.

3.3 Powers of Approval

The expenditure to be incurred for the CSR projects/ programme/ activities needs to be recommended by CSR Committee for further approval of the Board of Directors of the Company. Similarly for meeting the immediate and urgent requirement funds the following authorities are required to approve the expenditure with following limits.

Purpose	Approving Authority
To approve the expenditure budget for the project/ programme/ activities in line with the CSR Policy.	Board of Directors shall approve the CSR Budget and authorize MD/WTD/ Chairman of CSR Monitoring Committee for execution of projects as per approved Budget. MD/WTD/Chairman of CSR Monitoring Committee in turn can sub-delegate and authorise any other Officer of the Company as they may deem fit for administrative convenience and smooth operations.

4. IDENTIFICATION OF PRIORITY AREAS

Education, Health, Infrastructure, Skill Development; (Livelihood promotion and Women empowerment) shall be the prime focus for development of the community under CSR. Protection of environment as global mandate will remain an integral part of CSR initiative of the Company. However the Policy will be open to accommodate any activities as defined in Schedule VII of Companies Act, 2013 as and when required.



5. REPORTING AND RECORD KEEPING

- a) The CSR Committee shall maintain proper Minutes of all its Meetings;
- b) The Annual Report on CSR shall be included in the Board's Report including details as specified in the Act;
- c) The Board to ensure that details of CSR Projects and Programme, the composition of CSR Committee and the CSR Policy is available on the Company's website www.krblrice.com.

6. GENERAL

- a) In the event of any conflict between the provisions of this Policy and of the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other statutory enactments, rules, the provisions of such Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/ modified in due course to make it consistent with the law.
- b) In case of any doubt with regard to any provisions of the Policy and difficulties, the interpretation and decision of CSR Committee and the Board of Directors of the Company will be final.
- c) Any or all the provisions of the CSR Policy would be subject to the revision/ amendment in accordance with the guidelines on the subject as may be issued from Government from time to time.
- d) The Company reserves the right to modify, cancel, add or amend any of these Rules of the Policy.

7. CONTACT PERSONNEL

For queries related to CSR projects/ programme or activities, please write to us at: cs@krblindia.com.

8. AMENDMENTS

This Policy can be modified or repealed at any time by the Board of Directors taking into consideration the recommendation of CSR Committee of the Company.

The Company Secretary & Compliance Officer is being authorized to amend this Policy to appropriately incorporate statutory amendments relating to Corporate Social Responsibility from time to time. Such amended policy shall be placed before the CSR Committee and the Board of Directors of the Company for information and noting.

