

# **Corporate Social Responsibility Policy**

**Gujarat Ambuja Exports Limited**



**I. PREAMBLE:**

*The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Organizations have realized that Govt. alone will not be able to get success in its endeavor to uplift the downtrodden of Society. For Gujarat Ambuja Exports Ltd. (GAEL) in the present context, CSR means not only investment of funds for Social Activities but also Integration of Business processes with Social processes.*

*GAEL believes that, with its core business interests in various agro-processing segments and exports, the Company plays an important role in strengthening the fabric of society, by generating employment and business opportunities. GAEL is committed to continuously improving its social responsibilities as a good corporate citizen, to make positive impact on the society.*

**II. OBJECTIVE OF GAEL CSR POLICY IS TO:**

- a. to lay down guidelines for sustainable development for the Society and supplement the role of the Govt. in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.
- b. To take up programmes that benefit the communities where it operates and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- c. To serve the socially and economically weak, disadvantaged, underprivileged, & destitute sections of the Society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with



intention to make the group or individual self dependent and live life more meaningfully.

- d. To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to areas, that have so far not been attended to.
- e. To generate, through its CSR initiatives, a community goodwill for GAEL and help reinforce a positive & socially responsible image of GAEL as a Corporate entity.

**III. AREAS/ACTIVITIES TO BE UNDERTAKEN UNDER CSR:**

Areas/activities to be undertaken for the purpose of CSR expenditure shall include;

- (i) eradicating hunger, poverty and malnutrition, promoting healthcare 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) 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;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) 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;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects

**Explanation:**

**'Rural Development Projects' means the following activities:**

1. **Employment Generation in Rural Areas,**



2. **Infrastructure development including constructing roads and social security in Rural Areas and**
3. **Measures for improvement in quality of life for the rural population especially those below the poverty line including provision of health, education, drinking water, housing and roads.**

Explanation to sr. no. x above inserted vide Resolution passed by the Board of Directors of the Company at its Meeting held on 07.02.2015.

- (xi) **Such other projects or activities as are covered in Schedule VII to the Companies Act, 2013, as amended from time to time in pursuance of recommendations of the CSR Committee.**

Sr. no. xi above inserted vide Resolution passed by the Board of Directors of the Company at its Meeting held on 07.02.2015.

**Areas/activities specifically excluded from the scope of CSR activities:**

1. **Expenditure undertaken in pursuance of normal course of business of the Company;**
2. **Areas/activities that benefits only the Employees of the Company & their families and**
3. **Contribution of any amount directly or indirectly to any Political Party.**

**IV. Modalities of execution and Implementation Schedule:**

**Corporate Social Responsibility Committee (CSRC) shall recommend the amount of expenditure to be incurred on the CSR activities and monitor the CSR Policy of the Company from time to time. The CSRC shall institute a transparent monitoring**



mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The CSRC shall carry out the following, for identification and implementation of activities:-

- 1) The Committee will decide the priority of the activities to be undertaken under the CSR by grant of donation/Financial Assistance/ Sponsorship etc.
- 2) The Committee may also interact with the CSR implementing Agencies for determining the activities to be undertaken.
- 3) Based on the total activities to be undertaken, the Committee will recommend to the Board the quantum of Budget for the year.
- 4) The Committee may interact with concerned State officials/Govt. Officials to confirm the areas for undertaking CSR activities and ensure to avoid duplicity of the Job.
- 5) The Committee will monitor and review the progress of activities undertaken/completed.
- 6) Identification of Programs: Identification of Programs at Corporate and plant level will be done by means of the following:
  - i. Need identification studies by professional institutions/ agencies;
  - ii. Internal need assessment by cross functional team at local level;
  - iii. Receipt of proposals/ requests from district administration/ local govt. etc



- iv. Discussion and request with local representatives/voluntary organization.

Provided that surplus arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company.

**V. Monitoring**

- a) *The Board of Directors of GAEL shall review the implementation of CSR yearly.*
- b) *GAEL shall include a separate disclosure in the Annual Report on the implementation of CSR activities/project including physical and financial progress.*

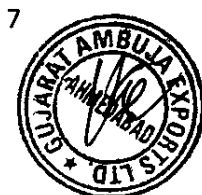
**VI. SOURCE OF FUND**

Provided that for funding against CSR to be executed by GAEL in a financial year, atleast 2% of the average net profits of the Company made during three immediately preceding financial years would be allocated for execution of CSR activities, based on the recommendation of the CSRC.

**VII CONCLUSION**

The above guidelines would form the framework around which the CSR activities would be undertaken. Gujarat Ambuja Exports Ltd. 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.

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## **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

[As prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014]

### **1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

#### **INTRODUCTION**

The Company's aim is to be one of the most respected companies in India delivering superior and everlasting value to all customers, associates, shareholders, employees and society at large. The CSR initiatives focus on holistic development of mass communities and create social, environmental and economic value to the society.

#### **APPLICABILITY**

The Company's CSR Policy has been prepared in accordance with Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India, in 2014.

#### **ROLES AND RESPONSIBILITIES OF THE CSR COMMITTEE**

The roles and responsibilities of the CSR Committee shall be as under:

- Formulate, monitor and recommend to the Board, the CSR Policy;
- Recommend to the Board, modifications to the CSR Policy as and when required;
- Recommend to the Board, the amount of expenditure to be incurred on the activities undertaken;
- Review the performance of the Company in the area of CSR, including the evaluation of the impact of the Company's CSR activities;
- Review the Company's disclosure of CSR matters;
- Consider other functions, as defined by the Board, or as may be stipulated under any law, rule or provisions of the Companies Act, 2013.

#### **POLICY REVIEW**

This Policy is framed based on the provisions of the Act and Rules thereunder.

In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the CSR Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be given for approval of the Board of Directors.

**2. Composition of the CSR Committee:** Shri Vijay Kumar Gupta (Chairman), Shri Manish Gupta and Shri Rohit Patel

**3. Average net profit of the Company for last three financial years (2012-13 to 2014-15):** ₹ 138.61 crores

**4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) (2012-13 to 2014-15):** ₹ 2.77 crores



**5. Details of CSR spend during the F.Y. 2015-16:**

(a) Total amount to be spent for the F.Y. 2015-16: ₹ 2.77 Crores

(b) Amount unspent, if any: Refer Note 6

(c) Manner in which the amount spent during the F.Y. 2015-16 is detailed below:

(Amt in ₹)							
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (Budget ) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads : 2015-16	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	Expenditure incurred for school building	Education	Sabarkantha (Gujarat)	N.A.	35,100	35,100	Direct
2	Donation of computer system to school	Education	Haveri (Karnataka)	N.A.	86,826	1,21,926	Direct
3	Contribution for Relief of people of Nepal	Disaster Relief	Kashipur (Uttarakhand)	N.A.	1,50,000	2,71,926	Direct
4	Distribution of Books to students of Govt. Primary School	Education	Ukrauli (Uttarakhand)	N.A.	13,503	2,85,429	Direct
5	Distribution of coin operated water vending machine	Sanitation and making available safe drinking water	Akola (Maharashtra)	N.A.	75,000	3,60,429	Direct
6	Donation for Artificial Leg Replacement Shibir	Promoting healthcare including preventive health care	Akola (Maharashtra)	N.A.	25,000	3,85,429	Direct
7	Donation for educational tour for poor students	Education	Sabarkantha (Gujarat)	N.A.	10,000	3,95,429	Direct
8	Expenditure incurred towards the Boundary gate work for school	Education	Sabarkantha (Gujarat)	N.A.	8,100	4,03,529	Direct

	building						
9	Distribution of ceiling fans for class rooms to Government College	Education	Sitarganj (Uttarakhand)	N.A.	5,569	4,09,098	Direct
10	Renovation of school building	Education	Haveri (Karnataka)	N.A.	60,000	4,69,098	Direct
11	Contribution towards installation and erection of drinking RO Plant with the capacity of 2000 litres per hour for use of Villagers	Making available safe drinking water	Haveri (Karnataka)	N.A.	4,40,675	9,09,773	Direct
12	Contribution to Government Higher Primary School for purchase of chairs and tables	Education	Haveri (Karnataka)	N.A.	22,000	9,31,773	Direct
13	Renovation of School building	Education	Haveri (Karnataka)	N.A.	3,90,303	13,22,076	Direct
14	Renovation of School building	Education	Haveri (Karnataka)	N.A.	2,00,000	15,22,076	Direct
15	Expenditure incurred towards the need of toilet room for school students	Promotion of Sanitation	Sitarganj (Uttarakhand)	N.A.	1,20,148	16,42,224	Direct
16	Renovation of School building	Education	Sabarkantha (Gujarat)	N.A.	11,001	16,53,225	Direct
17	Contribution towards 33 toilets kit under Swachh Bharat Mission Abhiyan	Promotion of Sanitation	Sabarkantha (Gujarat)	N.A.	1,10,550	17,63,775	Direct
	<b>TOTAL</b>				<b>17,63,775</b>		

CSR Policy and details of amount spent during the F.Y. 2015-16 are available on the website of the Company (URL: <http://www.ambujagroup.com/LinkFiles/CSR%20Policy.pdf>).

**6. Reason for not spending the amount (in case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof):**

The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. This dedicated commitment towards inclusive growth is manifested through the Company's CSR initiatives undertaken around the manufacturing facilities as well as across many places in India during the F.Y. 2015-16. The overall CSR expenditure was ₹ 0.18 crores during the F.Y. 2015-16 as against gross amount required to be spent of ₹ 2.77 crores during the F.Y. 2015-16. During the F.Y. 2015-16, the Company endeavored to meet the budgeted expenditure by contributing in various eligible CSR activities and has committed to incur expenditure for CSR initiatives in the coming years through structured events or programs and projects. The Company has taken steps in the right direction and going forward is committed to actively engage with the partners/NGOs to execute the said events or projects and programs and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company is under process of identification of some key projects which will be executed during the F.Y. 2016-17.

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

sd/-	sd/-
(Chief Executive Officer or Managing Director or Director)	(Chairman CSR Committee)