

**Annexure -II to Directors Report for the year ended 31st March, 2020**

**Key Points of Our CSR POLICY**

**OBJECTIVE:**

- I. To set up the guiding principles for carrying out CSR activities.
- II. To set up processes for promoting, investing, engaging, collaborating, implementing and monitoring of the CSR activities to be undertaken by the Company.
- III. To conduct its business in line with the Responsible Business framework.
- IV. To create superior value for our stakeholders.
- V. Implementation of the CSR activities in Projects / Programme mode through a focused approach for generating maximum approach.

**CSR BUDGET**

- I. The Board of Directors will ensure that the company spends, in every financial year, at least 2% of the average net profit (to be calculated in accordance with the provision of section 198) of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility policy.
- II. Any surplus or profit generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus or as a supplement to the CSR budget. These funds will be further used in development of the CSR projects and will not be added to the normal business profit.
- III. In the event that the amount to be spent on CSR activities is not spent in its entirety in that FY, the reasons thereof will be outlined as per section 134 (3) (o).
- IV. The Company will claim CSR expenditure only for the funds that are provided from its own resources and not for the contribution received from the other sources.
- V. The CSR budget will be used as per the activities mentioned in the schedule VII in project / Programme mode with a process of monitoring, evaluation and clear outlining of desired outcomes.

One of event such as marathons/ awards/ charitable contribution/ advertisement/ sponsorship of TV programmes and the like would not qualify as part of CSR expenditure.

**PLANNING AND IMPLEMENTATION**

All CSR activities will be in the form of Projects/ Programmes, which will, as far as possible, entail the following components:

- Details of annual financial allocation.
- Baseline Survey/Need Assessment where considered necessary/feasible.
- Identification of Beneficiaries.
- Signing of agreement with implementing agency.
- Formulation of detailed Project Report with clear deadlines.
- Preparation and Implementation of a comprehensive and concurrent documentation procedure.
- Regular Monitoring & Periodic review of the projects.
- Evaluation & Assessment by a third party.

**Mandatory Reporting**

The Company will endeavor at all times to develop the skills of the CSR team and capacity building of implementing agency that it engages with but the budget on the same limited to 5 percent of the total CSR budget in the financial year.

- Mode of carrying CSR activities:
- Through a society, Non- Profit Organization set up by the Company or its holding, subsidiary or associate Company.
  - Implementation through the Agency
  - Collaborating with other non- profit Organization, Corporate, Government.

If executed through an independent entity, the entity should have three years track record

In order to ensure the long term outcomes and impacts, the Company will lay emphasis on the sustainability of its Projects/Programmes so that they remain sustainable and viable even after the company's withdrawal from the project on completion. Such an entity would have to adhere to modalities of utilizing funds as well as monitoring and reporting requirements.

**(1) The Composition of the CSR Committee.**

CSR Committee consist of Mrs. Radha Singh (Chairman), Mr. Vijay Kumar Arora, Executive Director, Mr. Gokul Patnaik, Non Executive Director and Mr. Rajesh Kumar Srivastava, Nominee Director of the Company

Manner in which the amount spent during the financial year is detailed below

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**(2) Average net profit of the company for last three financial years- ₹ 6454.43 Lakhs**

Manner in which the amount is spent during the financial year is detailed below:

**(3) Prescribed CSR Expenditure (two per cent. of the amount as in item 2 above) - ₹129.09 Lakhs**

1. The following table provides a summary of the domain wise expenditure on CSR for 2019-20 along with the geographies. The list of partners with who we collaborate is available right below the table

**(4) Details of CSR spent during the financial year.**

- (a) Total amount to be spent for the financial year:- ₹129 .09Lakhs
- (b) Amount unspent, if any;-₹59.32
- (c) The Company is exploring projects for CSR activities.

2. In the column 'Cumulative expenditure till reporting period', we have chosen to take 2019-20 as the base year. Many of our programs go back more than 3 years and some more than 5 years. Given the practical challenges in reporting the cumulative expenditure from inception, we have chosen to start with the current year as the base year.

3. All our programs are executed and implemented through our partners.

S. N.	CSR Project or Activity Identified	Sector in which the project is covered	Project of Program (i)Local Area or Other (ii)Specify the state or district where the projects or programmes were undertaken	Amount outlay (Budget) Project or Programwise	Amount spent of Project or Program: Sub head: Direct Expenditure on Project or Programme	Amount spent Direct/ through implementing agency
1	Village development Maintenance	Rural Development	Chattarpur(Madhya Pradesh)	500,000	500,000	Fair Farming Foundation
2	Sustainable Agriculture	Vocational Skill livelihood enhancement	Haryana & Uttar Pradesh	5,000,000	5000,000	Fair Farming Foundation
3	Udayan Shalini Fellowship Programme	Promoting education	Haridwar(Uttar Pradesh)	777,348	777,348	Udayan Care
4	Sadak Project	Promoting education	Patiala( Punjab)	700,000	700,000	Patiala Foundation
<b>Total</b>				<b>6,977,348</b>	<b>6,977,348</b>	<b>-</b>

**ABOUT FAIR FARMING FOUNDATION**

Fair Farming Foundation (FFF) is a non-governmental, non-profit organisation engaged in a broad range of rural development interventions throughout India. It is a movement to support the sustainable development in the country. Since 2009, they are engaged in rural development through the promotion and implementation of various development projects. FFF strongly believes that collective participatory action is required for balanced and sustainable community development. We are carrying out need based welfare & integrated programs of development by assisting in strengthen the farming community and by contributing to economically, ecologically and socially sustainable development.

Fair Farming Foundation Programs are designed on the principle that communities can take ownership of their own development through participation & implementation of Projects. Rural communities work together to create sustainable programs for managing water resources, increasing agricultural productivity, creating rural infrastructure, promoting education, Ensuring environment sustainability, providing safe drinking water, Women Empowerment & livelihood Enhancement . Our key strategies for creating sustainable rural development are using a rights-based approach and leveraging people’s participation.

Since inception, Fair Farming Foundation have been and continue to be involved in meaningful, welfare driven initiatives that distinctively impact the quality of

life of the rural poor with an aim to improve the social and economic situation of people in underdeveloped areas of rural India.

**ABOUT UDAYAN CARE**

The Organisation transform young lives by protecting and nurturing vulnerable children and youth igniting the spark in young women to pursue higher education. It creates livelihoods through digital education and skilling.

**ABOUT PATIALA FOUNDATION**

The Patiala Foundation is working on a livelihood project (UN-SDG 13) by the name ofGreenCABSin the state of Punjab under which we are providing new ECOfriendly cycle rickshaws to persons who are already plying the same or who wish to start the same in the state of Punjab. They also provide the Traction Drivers more Income enhancement options. They are providing them the Patiala GreenCABS with a package of Uniform sets, Membership ID card, MC permit etc. and the rickshaws are of new improved design which are lighter in weight hence they are easy to ply. Without using any wood, these rickshaws are ECO Friendly fitted with seat belts for the safety of the passengers and have more luggage space. In addition to the above project we are also working with the female SHGs and are linking them to the Banks so that they can start with their own livelihood.They have also expanded the operations in the state of Haryana.

Sd/-  
**(Ashwani Kumar Arora)**  
(Chief Executive Officer)  
DIN 01574773

Sd/-  
**(Gokul Patnaik)**  
(Chairman CSR Committee)  
DIN 00027915

**Annexure -III to Directors Report for the year ended 31st March, 2020**

**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm’s length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	Not Applicable
c)	Duration of the contracts/arrangements/transaction	Not Applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable
e)	Justification for entering into such contracts or arrangements or transactions’	Not Applicable
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Not Applicable
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

**2. Details of contracts or arrangements or transactions at Arm’s length basis.**

(Amount in Lakhs)

SL. No.	Name of the Related Party & Nature of relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board	Amount paid as advances, if any
1.	Dawaat Foods Limited (Subsidiary Company)	Sales/Purchases/ Interest received/ Rent received/ Corporate Guarantee Charges income/Expenses on Fleet lease/ Reimbursement of Expenses received/ Business Support Services/Sale of Fixed Assets/ Purchase of Fixed Assets/Corporate Guarantee Rent Income / Fumigation Income / Guarantees given / Processing charges Income Sales	01.04.19 to 31.03.2020	70,592.50	16/05/2019, 08/08/2019, 07/11/2019 and 06/02/2020	6136.42
2	Nature Bio Foods Limited (Subsidiary Company)	Rent Income / Fumigation Income / Guarantees given / Processing charges Income	01.04.19 to 31.03.2020	7,875.80	-do-	-
3	LT Foods America Inc. (Fellow Subsidiary)	Sales	01.04.19 to 31.03.2020	27657.17	-do-	-