

Corporate Social Responsibility Policy



LT Foods Ltd.

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PREAMBLE

The Corporate Social Responsibility Policy of LT Foods Limited, has been developed in consonance with Section 135, Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 as from time to time amended and notified by the Ministry of Corporate Affairs, Government of India. It shall apply to all CSR Projects/Programmes undertaken by the company as per interpretation of activities listed in Schedule VII of the Act, within the geographical limits of India alone, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

CSR VISION STATEMENT & OBJECTIVE:

VISION

The company aspires to be a responsible corporate citizen, behave ethically & endeavors to contribute towards sustainable development with the strategies, policies and actions aligned with the wider social, economic & environmental concerns.

OBJECTIVE:

- I. To set a guiding principles for carrying out CSR activities.
- II. To set up the process of execution, implementation 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.

DEFINITIONS

“Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

(i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

(a) such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;

(b) Details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;

(ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

(iii) Contribution of any amount directly or indirectly to any political party under section 182 of the Act;

(iv) Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

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(v) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

(vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India;

√ “**CSR Policy**” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

√ “**International Organization**” means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

√ “**Ongoing Project**” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

As per definition, Ongoing project = Project already commenced + multi-year project whose duration is not less than one year but not exceeding 3 years

√ “**Public Authority**” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005.

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 arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- III. Any amount remaining unspent pursuant to any ongoing project fulfilling such conditions as may be prescribed , undertaken by the Company in pursuance of Corporate Social Responsibility Policy shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the UNSPENT CORPORATE SOCIAL RESPONSIBILITY ACCOUNT and such account shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer failing which the Company shall transfer the same to a FUND specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- IV. Further, where the Company fails to spend such amount and unless that amount relates to any ongoing project shall be transferred to a FUND specified in Schedule VII within a period of six months of the expiry of the financial year.
- 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.

PLANNING AND IMPLEMENTATION

- The Board shall ensure that the CSR activities are undertaken by the company itself or through –
√ Section 8 Company;

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- √ Registered Public Trust;
- √ Registered Society registered u/s 12A & 80G of Income Tax Act, 1961; or
- √ Company **with established track record of at least 3 years.**

It will be ensured that the eligible intermediaries through which the company shall undertake the CSR Project or Programme are registered with the Central Government by filing **the Form CSR-1 electronically with effect from April 01, 2021 and must be possessing Unique CSR registration number.**

- **The Company may engage International Organisation (as defined under the rules)** for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
- The Board of the Company shall monitor the implementation of ongoing projects and ensure that the funds are **utilized for the approved purposes and shall be certified by the Chief Financial Officer (CFO) or Person in charge of finance.**
- The Board shall have a power to make modifications in such projects to ensure smooth implementation of the project within permissible time limit.

- The CSR Committee shall formulate and recommend to the Board, an **ANNUAL ACTION PLAN** in pursuance of its CSR policy, which shall include the following, namely:
 - √ the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - √ the manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4;
 - √ the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - √ monitoring and reporting mechanism for the projects or programmes; and
 - √ details of need and impact assessment, if any, for the projects undertaken by the company
 - √ Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee.

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.

In order to ensure the long term outcomes and impacts, company will lay emphasis on the sustainability of its Projects/Programmes so that they remain sustainable and viable even after the company withdrawal from the project on completion.

EXPENDITURE

- The Board shall ensure that **the administrative overheads shall not exceed 5% of total CSR expenditure** of the company for the financial year.

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- Any surplus arising out of CSR activities shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, **within a period of 6 months of the expiry of the financial year.**
- Any excess amount may be set off against the requirement to spend up to immediate succeeding 3 financial years subject to the conditions that;

√ the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule;

√ the Board of the company shall pass a resolution to that effect.

- Provisions with relation to acquisition of **Capital Assets:**
The CSR unspent amount may be used for creation or acquisition of capital assets which SHALL be held be-
 - ✓ Section 8 Co or Registered Public Trust or Registered Society, having Charitable objects and CSR registration Number: OR
 - ✓ Beneficiaries of the said CSR project in the form of self help groups, collectives , entities; OR
 - ✓ Public Authority
- Any capital assets created by a Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall **within a period of 180 days from such commencement** comply with the requirement of this rule, which may be extended by a further period of **not more than 90 days** with the approval of the Board based on reasonable justification.

MONITORING, EVALUATION AND IMPACT ASSESMENT

- The Board's Report shall include Annual Report on CSR containing particulars as specified by the ministry.

A proper monitoring and evaluation mechanism is developed by the Company to ensure that all the Projects/Programmes are duly implemented as budgeted.

The Monitoring System developed by the company includes:

Regular field visit to project/Programme sites by designated team.
Regular Interaction with the beneficiaries to obtain feedback.
Third party audit for projects as per the CSR Committee decision

The Internal Monitoring Group is formed for this purpose which comprises of:

1. Monika Chawla Jaggia-Company Secretary
2. Sachin Gupta- Group Financial Controller
3. Vineet Aggarwal- DGM Taxation
4. Anu Sharma- AGM Legal

The Internal Monitoring group will submit its report to the CSR committee formed under the Act and further the Committee will monitor the CSR policy from time to time. Disclosure of the Final assessment report will be done as per the CSR Rules.

DOCUMENTATION

The Company will ensure the proper preparation of Comprehensive documentation and compilation of reports timely which will include printed material, audio recordings, video recordings etc.

ACCOUNTING & AUDITING

The Company will follow the Accounting and Auditing Guidance Note/Standards duly approved by the Ministry of Corporate Affairs, GOI

DISCLOSURE

The Company will comply with section 135(2), 135 (4) (1) and 134 (3) (o) of the act and will ensure to make a disclosure of its CSR Policy, Implementing agency, expenditure details and the composition of CSR committee of the Board.

- The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

REPORTING

In consonance with the Section 134 (3) (o), the Company will disclose the “Annual Report on CSR” as per the guidelines.

Composition of the CSR Committee

The members of the CSR Committee are as follows:

1. Gokul Patnaik
2. Vijay Kumar Arora
3. Neeru Singh

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

The role of CSR Committee is:

- ❖ To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013.
- ❖ To recommend the amount of expenditure to be incurred on the activities in a financial year.
- ❖ To monitor the Corporate Social Responsibility Policy of the company from time to time.
- ❖ Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The Board of Directors of LT FOODS LIMITED shall,

After taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the Company and disclose the contents of such Policy in its report and also place it on the Company's website in such manner as may be prescribed.

Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the Company.

The Board shall make every endeavor to ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

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CSR ACTIVITIES / PROJECTS

Schedule VII to the Companies Act, 2013 lists down the activities which may be included by companies in their corporate social responsibility policy, implementation programs. The said activities relates to

(i) Eradicating hunger, poverty and malnutrition, “promoting health care including preventive health care”] and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

(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 art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) training to promote rural sports, nationally recognized 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

(x) rural development projects]

(xi) 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.]

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

(xiii) Corona support initiatives in compliance with MCA circulars and notifications

Donation to PM Care Fund

Support the Corona Warriors, Health Workers, Sanitation Workers, etc in their fight against Covid-19

Supporting migrant workers, marginalized communities by helping them gain access to nutritious food, medicines and preventive measures

However , out of the aforesaid activities , the Company is currently associated with Fair Farming Foundation for development of rural infrastructure and school adoption, Udayan Care for education and upliftment of poor girls

Further, any or all provisions of the CSR policy would be subject to revision amendment by the Board of Directors of the company based on the recommendations of the CSR committee or else in accordance with the guidelines on the subject as may be issued, from time to time.

Effective w.e. f 01st April, 2021