



CORPORATE SOCIAL RESPONSIBILTY POLICY

LT FOODS LIMITED

PREAMBLE

For LT Foods Limited, CSR is a policy in compliance with the requirements of the CSR rules and regulations as notified by Ministry of Corporate Affairs in consonance with Section-135 of the Companies Act, 2013 on CSR. CSR is the continuous social business, integrating social & environmental concern in the business operations, behaving ethically & contributing to socio-economical development of local community & society at large. Our CSR aim is to make a positive impact on our people, environment, customers and the communities that we serve. Our CSR policy shall apply to all CSR Projects/Programmes undertaken by the company as per liberal 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 & contribute to sustainable development with strategies, policies and actions aligned with wider social, economic & environmental concerns in mind.

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.

FOCUS AREAS---

- I. Livelihood security and enhanced income for farmers/producers.
- II. Skill development and training
- III. Environmental sustainability
- IV. Access to drinking water

CSR BUDGET

Section-135 of the Companies Act, 2013 mandates Companies with
Turnover of Rs. 1000Crores or more
Or net worth of Rs. 500 Crores or more
Or net profit of Rs. 5Crores or more to undertake expenditure

- 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.

- Salaries paid by the Company to regular CSR staff as well as volunteers of the Company can be counted as CSR project cost/ expenditure limited upto 5 percent of the total CSR budget in the financial year.
- Contribution to corpus of a trust, society, Section-8 Company etc can qualify as 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 endeavour at all times to develop the skills of the CSR team and capacity building of implementing agency that it engages with but the budget for salaries of the employees on the same limited to 5 percent of the total CSR budget in the financial year.

Mode of carrying CSR activities

- Collaborating with other corporate, Government, International organization participating in projects/programmes where more than one corporate or International agency is involved.
- Through a trust/ society, Section-8 Company set up by the Company or its holding, subsidiary or associate Company.
- If executed through an independent entity, the entity should have three years track record

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'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.

MONITORING, EVALUATION AND IMPACT ASSESMENT

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 will be set up under the guidance of the CSR Committee:

- The progress of CSR activities under implementation will be reported to the Committee, on a quarterly basis.
- An yearly report on CSR activities will be prepared which will be a part of the Annual Report of the Company

- In case of any ambiguity or clarification with regard to CSR policy, a reference could be made to the CSR Committee of the Company and its decision would be final.

Internally, the Monitoring System of the Company would include:-

- ❖ Allocation of Separate budget for monitoring the CSR activities.
- ❖ Regular field visit to project/Programme sites by designated team.
- ❖ Regular Interaction with the beneficiaries to obtain feedback.
- ❖ Third party audit.

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

1. Mr. Abhishek Arora- Manager- Strategic Procurement
2. Mr. Sachin Gupta- DGM Accounts
3. Ms. Priya Bedi – Associate Company Secretary

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.

REPORTING

In consonance with the section 134 (3) (o), Companies are required to incorporate in their Annual Report, a special note on CSR containing the following:

- Outline of the Company's CSR policy, with an overview of projects and programmes to be undertaken and reference to the web-link to CSR policy
- Composition of CSR Committee
- Average net profit of the Company for last three financial years
- CSR expenditure (2% of the net profit for last three financial years)
- Details of expenditure on CSR during financial year
- If the Company fails to spend 2% of the average net profit, the reason thereof

Composition of the CSR Committee

The members of the CSR Committee are as follows:

1. Mr. Vijay Kumar Arora
2. Mrs. Radha singh
3. Mr. Rajesh Kumart Srivastava

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 endeavour 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.

CSR ACTIVITIES / PROJECTS

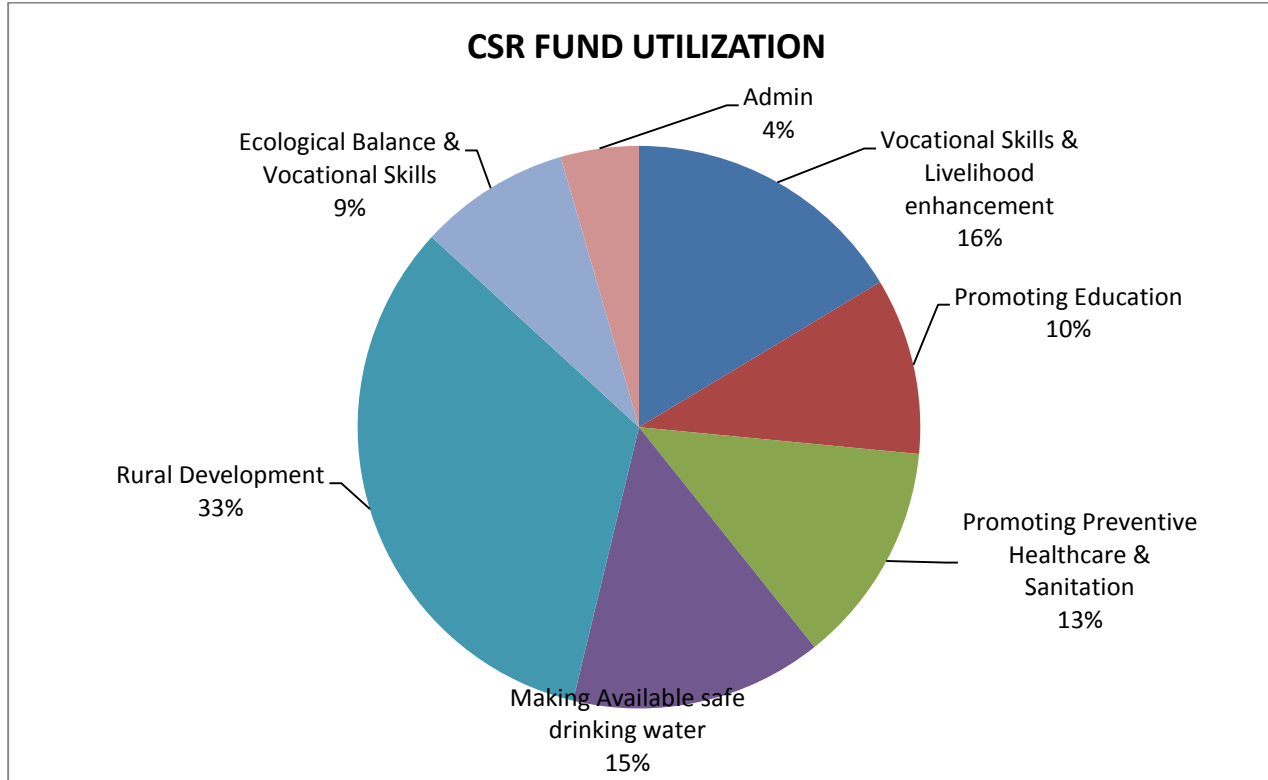
Schedule VII to the Companies Act, 2013 lists down the activities which may be included by companies in their corporate social responsibility policies. The said activities relates to

- (i) Eradicating extreme hunger and poverty;
- (ii) Promotion of education;
- (iii) Promoting gender equality and empowering women;
- (iv) Reducing child mortality and improving maternal health;
- (iv) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (v) Ensuring environmental sustainability;
- (vi) Employment enhancing vocational skills;
- (vii) Social business projects;
- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- (ix) Such other matters as may be prescribed.

However, out of the aforesaid activities, the Company currently plans to support, partner and assist various CSR activities in the following areas through its Partnering Agency – Fair Farming Foundation.

LIFE OF THE POLICY—

Effective from the date of signing until future notice



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.