

RUCHI SOYA INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

(Approved by the Board of Directors of the Company at their meeting held on 09th June, 2021)

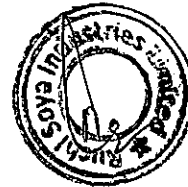


RUCHI SOYA INDUSTRIES LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Effective Date:- June 09, 2021

INDEX

Sl.No.	Particulars	Page Nos.
1.	Corporate Social Responsibility (CSR) – Philosophy	
2.	Definitions	
3.	Constitution of CSR Committee	
4.	CSR Objectives and Projects	
5.	Identification of CSR Projects	
6.	Implementation of CSR Projects	
7.	Monitoring Mechanism	
8.	Fund allocation and others	
9.	Duties and responsibilities	
10.	Review Periodicity	
11.	Interpretation	
12.	Amendment	



1. Corporate Social Responsibility (CSR) – Philosophy:

Ruchi Soya Industries Limited (“the Company”) has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally. The Company is taking up various Corporate Social Responsibility (“CSR”) initiatives and enhanced value in the society.

The social and environmental responsibility has always been at the forefront of Company’s operating philosophy and as a result, the Company consistently contributes to socially responsible activities. CSR at the Company portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, the Company try to contribute for social and environmental causes on a regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates. The Company is of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholders’ lives.

With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company has formulated a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare and sustainable development of the society.

2. Definitions:

In this CSR Policy, unless the context otherwise requires:

1. “Act” shall mean the Companies Act, 2013 and the rules made there under, including any modifications, amendments or re-enactment thereof.
2. “Administrative overheads” means the expenses incurred by the Company for ‘general management and administration’ of CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or program.
3. “Board” shall mean the Board of Directors of the Company.
4. “Company” shall mean Ruchi Soya Industries Limited and wherever the context requires, shall signify the Company acting through its Board.
5. “Corporate Social Responsibility (CSR)” means the activities undertaken by the 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:-
 - a. activities undertaken in pursuance of normal course of business of the Company;
 - b. 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;
 - c. contribution of any amount directly or indirectly to any political party under section 182 of the Act;



- d. activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019;
 - e. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - f. activities carried out for fulfilment of any other statutory obligations under any law in force in India.
6. **“CSR Budget”** shall mean the total budget as approved by the Board of the Company upon the recommendation of CSR Committee, which is to be utilized for CSR activities, projects or programs.
 7. **“CSR Committee”** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.
 8. **“CSR Policy”** shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR expenditure thereon and shall include the meaning assigned to it under rule 2(1)(f) of CSR Rules.
 9. **“CSR Rules”** shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any re-enactment, modifications or amendments thereof.
 10. **“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.

Words and expressions used and not defined in this CSR Policy shall have the same meanings respectively assigned to them in the Act read with rules made thereunder or any other cognate statute.

3. Constitution of CSR Committee:

Keeping in line with the provisions of section 135 of the Act and the rules made thereunder, the Board of Directors of the Company shall form a CSR Committee of the board, unless otherwise exempted under section 135(9) of the Act, consisting of 3 or more directors, out of which at least one director shall be an independent director, to carry out activities as mandated under the Act and CSR Rules, including but not limited to the following:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subjects as specified in Schedule VII of the Act and CSR Rules;
- b) To recommend the amount of expenditure to be incurred on the CSR activities;
- c) To monitor the CSR Policy of the Company from time to time;
- d) To monitor the implementation of framework of CSR Policy;
- e) To formulate and recommend to the Board, an annual action plan in pursuance of CSR Policy;
- f) To carry out any other function as mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.



4. CSR Objectives and Projects:

- (i) The Company will carry out/ get implemented its CSR activities either directly or through the implementing agencies in accordance with the provisions of the Act and CSR Rules.
- (ii) The Company will undertake its CSR Activities in the areas given in Schedule VII to the Act or in the areas as specified by Ministry of Corporate Affairs ("MCA") through its rules or regulations made thereunder or circulars/ notifications issued by it, including any statutory modification for the time being in force.
- (iii) The Company shall give preference to the local area and areas around it where it operates, for undertaking/implementing/executing/collaborating for CSR Activities.
- (iv) The CSR Committee will be entitled to include other projects/ programs/ activities or any social development initiative as may be approved by the CSR Committee/Board which is in consonance with the Act read with Schedule VII read with this CSR Policy.

5. Identification of CSR Projects:

- (i) The CSR Committee shall recommend the activities for CSR along with estimated expenditure and phase wise implementation schedules.
- (ii) The CSR Committee or any other person authorized in this behalf may engage any professionals/firms/agencies, if so required, for the purpose of identification and/ or implementation of CSR projects.

6. Implementation of CSR Projects:

The Company shall implement the identified CSR projects by one or more of the following manners:

- a) The CSR projects will be implemented in a time-bound manner with clear objectives, plan, targets and robust monitoring and evaluation mechanisms.
- b) The CSR projects shall be undertaken in India only except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- c) The Company shall not undertake such activities which are in normal course of business as CSR activities.
- d) The Board of the Company may decide to undertake its CSR activities as recommended by the CSR Committee, through:-
 - i. a company established under section 8 of the Act or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 established by the Company, either singly or along with any other company; or
 - ii. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - iii. any entity established under an Act of Parliament or a State legislature; or



- iv. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

However, if the Board of the Company decides to undertake its CSR activities through any of the entities specified above then the Company shall specify the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.

Every entity, covered under paragraph (d) above, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar of Companies.

- e) The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR.
- f) The Company may use services of expert agencies, consultancy firms etc. wherever required for carrying out baseline surveys, guidance on project design and implementation, third-party monitoring and evaluations, impact assessment surveys etc.
- g) The Company may collaborate or pool resources with other Companies to undertake CSR Activities.

7. Monitoring Mechanism:

The Company shall institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project has:

- i. clear objectives developed out of the societal needs that are determined through baseline studies and research;
- ii. clear targets, timelines and measureable parameters wherever possible;
- iii. a progress monitoring and reporting framework that is aligned with the requirements of the section 135 of the Act and the CSR Rules.
- iv. Internal Audit and review as well as regular capacity building at all levels of execution/implementing partners and monitoring/review committees will be done on regular basis.

If the Company is having average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Further, the Company may book the expenditure related to impact assessment towards CSR for that financial year, subject to the conditions prescribed under the Act and CSR Rules.



In addition to the above reporting requirement, following regulatory disclosure also required to be made in compliance of the Act and CSR Rules.

- a) Composition of the CSR Committee shall be disclosed in the Board Report;
- b) The board report shall include an annual report on CSR activities in format prescribed under the CSR Rules;
- c) If the Company fails to spend the prescribed amount, the Board shall, in its report specify the reasons for not spending the amount.

8. Fund allocation and others:

A. Fund allocation

1. The Board of Company shall ensure that in each financial year, the Company spends at least 2% of the average net profit made during the immediately three preceding financial years towards CSR activities;
2. The CSR Committee shall prepare a CSR Budget which may include:
 - a. Identified CSR Projects;
 - b. CSR expenditure;
 - c. Implementation Schedules.
3. Total expenditure in the CSR Budget shall be approved by the Board upon recommendation of the CSR Committee.
4. Subject to the provisions of the Act and CSR Rules, any amount remaining unspent on CSR shall be appropriated in such manner as may be decided by the CSR Committee and the Board from time to time in accordance with the provisions contained under the Act and CSR Rules.
5. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spend 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.

9. Duties and responsibilities:

A. Board of Directors

The Board of Directors of the Company will be responsible for:

- i. Ensuring that projects mentioned in this CSR Policy are undertaken by the Company;
- ii. Ensuring that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during three immediately preceding financial years in pursuance of the CSR Policy;
- iii. Ensuring that the Board specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount and, unless the unspent amount



relates to any Ongoing Project, transfer such unspent amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year or to such other fund as may be prescribed under the law.

Provided that if the Company spends an amount in excess of the requirements as specified in paragraph(ii) above, the Company may set off such excess amount for such number of succeeding financial years and in such manner, as may be prescribed under the Act read with CSR Rules.

- iv. Ensuring that the funds so disbursed for CSR expenditure have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.
- v. In case of Ongoing Project, monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- vi. Ensuring disclosure of the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
- vii. Ensuring that the administrative overheads shall not exceed such amount as may be prescribed under the provisions of the Act and CSR Rules.
- viii. Ensuring that the capital asset, if any, created or acquired by the Company shall be held by -
 - a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c) a public authority.

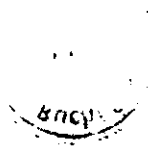
B. Transfer of Unspent CSR Amount

Any amount remaining unspent under sub-section 135 (5), pursuant to any Ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its CSR 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 ("Unspent CSR Account"), and such amount shall be spent by the Company in pursuance of its obligation towards the CSR 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.

C. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, CSR Policy and an annual action plan in pursuance of its CSR policy, which shall include the following, namely:

- i. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- ii. the manner of execution of such projects or programs as specified in sub-rule (1) of rule 4;
- iii. the modalities of utilization of funds and implementation schedules for the projects or programs;
- iv. monitoring and reporting mechanism for the projects or programs; and



v. details of need and impact assessment, if any, for the projects undertaken by the Company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

10. Review Periodicity

The CSR Policy may be revised/modified/amended on the recommendation of the CSR Committee and with the approval of the Board. The Company shall upload this CSR Policy on its website and a web link of the same will be provided in the annual report on CSR to be annexed with the Board's report of the Company.

11. Interpretation

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this CSR Policy read with the applicable provisions of the Act and CSR Rules.

12. Amendment

In the event of any conflict between the provisions of this CSR Policy and the Act or the CSR Rules or any other statutory enactments or rules, the provisions of the Act or CSR Rules shall prevail over this CSR Policy and the part(s) so repugnant shall be deemed to be severed from CSR Policy and rest of CSR Policy shall remain in force provided that any amendment/modification in the Act or CSR Rules shall automatically apply to this CSR Policy.

