

ANNEXURE-F TO THE DIRECTORS' REPORT

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 (including any statutory modification(s) or re-enactment thereof, for the time being in force) as amended from time to time]

- 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 (including any statutory modification(s) or re-enactment thereof, for the time being in force) as amended from time to time.

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 Vijaykumar Gupta (Chairman), Shri Manish Gupta and Shri Rohit Patel
- 3. Average net profit of the Company for last three financial years (2014-15 to 2016-17):** ₹ 148.46 crores
- 4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above) (2014-15 to 2016-17):** ₹ 2.97 crores
- 5. Details of CSR spend during the F.Y. 2017-18:**
 - (a) Total amount to be spent for the F.Y. 2017-18:** ₹ 2.97 Crores
 - (b) Amount unspent, if any:** Refer Note 6



(c) Manner in which the amount spent during the F.Y. 2017-18 is detailed below:

(Amount 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: 2017-18	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1.	Contribution towards installation and erection of Drinking water RO Plant with capacity of 500 liters per hour for police training school and S P office staff	Education	Haveri (Karnataka)	N.A.	3,30,000	3,30,000	Direct
2.	Contribution towards installation and erection of Drinking water RO Plant with the capacity of 1000 liters per hour for Husainiya Urdu Primary & High School	Education	Haveri (Karnataka)	N.A.	2,75,000	6,05,000	Direct
3.	Contribution towards the renovation and maintenance of garden at Motipura	Environmental sustainability	Himmatnagar (Gujarat)	N.A.	11,925	6,16,925	Direct
4.	Contribution towards construction of Tar Road to Hulasoggi Village connecting to NH4	Rural Development Projects	Haveri (Karnataka)	N.A.	12,45,365	18,62,290	Direct
5.	Contribution towards construction of School Play ground and School compound	Education	Haveri (Karnataka)	N.A.	10,00,000	28,62,290	Direct
6.	Contribution towards expenses for Note Books etc. provided to tribal students for education purpose	Education	Udham Singh Nagar (Uttarakhand)	N.A.	31,380	28,93,670	Direct
7.	Contribution towards expenses for 1222 Note Books to the poor and backward students of Primary School	Education	Sitarganj (Uttarakhand)	N.A.	18,308	29,11,978	Direct
8.	Contribution towards the renovation and maintenance of garden at Motipura	Environmental Sustainability	Himmatnagar (Gujarat)	N.A.	13,500	29,25,478	Direct
9.	Contribution towards the flood relief food packets	Eradicating hunger, poverty and malnutrition	Palanpur, Dist: Banaskantha, (Gujarat)	N.A.	1,53,001	30,78,479	Direct
10.	Contribution towards the renovation and maintenance of garden at Motipura	Environmental Sustainability	Himmatnagar (Gujarat)	N.A.	5,550	30,84,029	Direct
11.	Contribution towards the renovation and maintenance of garden at Motipura	Environmental sustainability	Himmatnagar (Gujarat)	N.A.	13,500	30,97,529	Direct
12.	Contribution towards construction of 2 class rooms under Phase-I	Education	Udham Singh Nagar (Uttarakhand)	N.A.	1,72,339	32,69,868	Direct
13.	Contribution towards cost of Furniture provided to the class rooms of School for use of School students for educational purpose	Education	Udham Singh Nagar (Uttarakhand)	N.A.	70,258	33,40,126	Direct
14.	Contribution towards construction of the Public intensive care units	Promoting Health Care	Haveri (Karnataka)	N.A.	1,61,960	35,02,086	Direct

15.	Contribution towards food supplements for the malnourished children	Eradicating hunger, poverty and malnutrition	Sitarganj (Uttarakhand)	N.A.	31,000	35,33,086	Direct
16.	Contribution towards distribution of woolen blankets to underprivileged villagers	Eradicating hunger, poverty and malnutrition	Sitarganj (Uttarakhand)	N.A.	11,250	35,44,336	Direct
17.	Contribution towards distribution of woolen blankets to underprivileged villagers	Eradicating hunger, poverty and malnutrition	Sitarganj (Uttarakhand)	N.A.	17,000	35,61,336	Direct
18.	Contribution towards construction of 2 class rooms under Phase-II	Education	Udham Singh Nagar (Uttarakhand)	N.A.	3,85,158	39,46,494	Direct
19.	Contribution towards the renovation and maintenance of garden at Motipura	Environmental sustainability	Himmatnagar (Gujarat)	N.A.	20,451	39,66,945	Direct
20.	Contribution towards construction of toilet room in the Police Station	Promotion of Sanitation	Chalisingaon (Maharashtra)	N.A.	35,000	40,01,945	Direct
	TOTAL				40,01,945		

CSR Policy and details of amount spent during the F.Y. 2017-18 are available on the website of the Company (URL: http://www.ambujagroup.com/wp-content/uploads/2017/07/CSR_Spending_17-18.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’s core objective under CSR is to provide Education for enhancing Employment and Employability through skill development and vocational skills training which is mainstream to eradicate poverty, hunger & malnutrition in the area where the Company operates its business. The Company also undertakes some small projects annually, the requirement of which is recognized due to an immediate need of a particular section of the society. The Company also continues to focus its CSR activities on the surrounding communities in and around Company’s affairs, factories in the domains of rural development, developed comprehensive plan for upliftment of rural and backward area through rural development projects, education, skill development, health and environment. However, in all major initiatives pursued by the Company, the underlying objective is to ensure that funds are allocated and utilized in a planned manner, so as to derive sustainable long term benefits to the community at large. The overall CSR spent was ₹ 0.40 crores during the F.Y. 2017-18 as against gross amount required to be spent of ₹ 2.97 crores during the F.Y. 2017-18. During the F.Y. 2017-18, 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. As a socially responsible Company, the Company is in continuous process of exploring new opportunities which shall align to its CSR policy and is committed to create maximum impact on the society at large over the coming years.

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.

Place : Ahmedabad
Date : 19th May, 2018

Rohit Patel
Chairman/Member CSR Committee

Manish Gupta
Managing Director

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.

