

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

(A) Objective:

Dhanuka Agritech Limited (“DAL”/“Company”) is involved in various corporate social responsibility (“CSR”) activities. The objective of CSR Policy of DAL is to lay down guidelines to bring effectiveness in its CSR activities which are being undertaken to assist in the sustainable development of the society. DAL strives to actively contribute to the social and economic development of the communities in which it operates. The Company believes in making sustained efforts towards eradicating hunger, mal-nourishment and ignorance.

The Company’s partners in development are Government bodies, district authorities, KVKs, village panchayats and the end beneficiaries are the general public. All projects are planned in a participatory manner with the local community and gauging their basic needs. DAL practices its corporate values with a commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. Presently, DAL undertakes CSR activities that aim at improving the lives of the agricultural and rural community holistically.

This CSR Policy is being articulated in compliance with Section 135 of the Companies Act, 2013 and the Rules made thereunder.

(B) CSR activities, projects and programs:

The Company shall spend 2% of the average net profits made during the three immediately preceding financial years on CSR activities and in case it is not able to do so, shall report the same in the Directors Report, along with reasons for not spending the amount.

The CSR activities of DAL will be carried out directly by the Company or through Trust, Society or Company having an established track-record of 3 years in undertaking similar programs or projects, in case Trust, Society or Company is not established by the Company or its holding or subsidiary or associate Company.

DAL may also collaborate with other Companies for undertaking CSR activities in such manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programs.

Since DAL has pan-India operations, it can carry out CSR activities anywhere within India. DAL shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

The activities that can be undertaken by the Company on CSR shall be as specified in Schedule VII to the Companies Act, 2013, as amended from time to time and shall include the following:

- (i) Eradicating hunger, poverty and malnutrition, promoting 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) Protection of national heritage and 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 dependants;
- (vii) Training to promote rural sports, nationally integrated sports, paralympic sports and Olympic sports;
- (viii) Contribution to Prime Minister Relief fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, Other Backward Classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government;
- (x) Rural development projects.

DAL's Board of Directors has approved the afore-mentioned activities to be undertaken as part of CSR, with special emphasis on eradication of hunger, poverty and mal-nutrition; conservation of water and promoting education. The thrust will be on farmers' training and transfer of technology to improve food production. DAL's CSR efforts have been to conserve "Gaon ka paani, gaon mein aur khet ka pani, khet mein" and will continue in this direction.

(C) Modalities of execution of CSR activities, projects and programs:

DAL shall undertake the CSR activities, as per its stated CSR Policy, as projects or programs or activities (either new or on-going), excluding activities undertaken in pursuance of its normal course of business. DAL may build CSR capacities of its own personnel as well as those of their Implementing Agencies through Institutions with established track records of at-least three Financial years, but such expenditure shall not exceed five percent of the total CSR expenditure of the Company in one Financial Year.

(D) CSR Committee:

The CSR Committee will consist of minimum three Directors, of which one shall be an Independent Director. The CSR Committee shall-

- (i) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (ii) recommend the amount of expenditure to be incurred on CSR activities; and
- (iii) monitor the CSR Policy of the company from time-to-time.

The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

(E) Monitoring process of such projects or programs:

The programs will be monitored by the CSR Committee of the Board of Directors of the Company.

(F) Surplus arising out of CSR activities/projects/programs:

Surplus arising out of CSR activities, projects or programs shall not form part of business profits of the Company.

(G) Disclosure in Board's Report:

The Board's Report of DAL pertaining to a Financial Year commencing on or after 1st April, 2014 shall include an Annual Report on CSR activities, as per the provisions of Companies Act, 2013.

DAL shall display its CSR Policy on its website.