



## **BIKAJI FOODS INTERNATIONAL LIMITED**

### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

<b>Version</b>	<b>Summary of changes</b>	<b>Board approval on</b>	<b>Date of release</b>
Version 1	Initial	27.02.2015	27.02.2015
Version 2	Amendment	30.12.2021	30.12.2021

## **1. PHILOSOPHY**

Since its foundation in 1995, Bikaji has continuously evolved primarily into the business of manufacturing and sale of Bhujia, Papad, Sweets and Namkeens under the brand “Bikaji”.

We as a company never lose sight of our responsibility to the environment and society. Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

## **2. OBJECTIVE AND SCOPE**

### **a. Objective**

The main objective of the CSR Policy is to lay down guidelines for Bikaji Foods International Limited (hereinafter referred to as ‘the Company’) to make CSR as one of the key focus areas to adhere to Bikaji’s interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

### **b. Scope & Coverage**

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the CSR Policy is applicable on the Company w.e.f. 01<sup>st</sup> April, 2014 and Company will review the sectors/activities from time to time and make additions/deletions/clarifications to the above sectors/activities.

## **3. DEFINITIONS**

In this Policy unless the context otherwise requires,

“Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof and includes any Rules framed thereunder, as the case may be in respect to the reference made in the provisions under this Policy;

“Administrative overhead” means the expenses incurred by the Company for the general management and administration of Corporate Social Responsibility functions of the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular corporate social responsibility Project or programme.

“Annexure” means annexure appended to the amended CSR rules notified in January 2021.

“Articles” means the Articles of Association of the Company, as modified from time to time;

“Board of Directors” or “Board” means the collective body of the Directors of the Company;

“Company” shall mean Bikaji Foods International Limited.

“Corporate Social Responsibility” or “CSR” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act, but shall not include the following:

- i. activities undertaken in pursuance of normal course of business of the Company.
- 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).
- v. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and
- vi. activities carried shall mean the activities mentioned herein and intended to be undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act.

“CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

“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;

“Net Profits” shall mean the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely:-

- a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- b. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013.
- c. “Ongoing Project” means a multi-year project undertaken by a Company in fulfillment 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.

#### **4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

##### **1. Constitution**

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least three or more Directors, out of which at least one shall be an independent director.

##### **2. Functions and Powers of Committee**

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.

- Recommend CSR activities as stated under Schedule VII of the Act.
- Approve to undertake CSR activities, if necessary, in collaboration with other Companies /firms /NGOs etc., and to separately report the same in line with the CSR Rules.
- Recommend the CSR Budget.
- Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
- Create transparent monitoring mechanism for implementation of CSR initiatives in India.
- Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
- Monitor CSR Policy from time to time.
- Monitor activities/charter of Internal Working and Monitoring Group (WG) who are authorized to ensure that the CSR activities of the Company are implemented effectively.
- Authorize executives of the Company to attend the CSR Committee Meetings, if necessary.

### **3. Meetings of the Committee**

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary;

- a. The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities.
- b. The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- c. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
- d. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means as maybe convenient.

### **5. RESPONSIBILITIES OF THE BOARD**

The Board shall:

- Form a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR.
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.

- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of VFL shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.
- To ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of its CSR Policy;
- The Board shall specify in its report the reasons for not spending the amount if the company fails to spend such amount.

## **6. CSR ACTIVITIES**

The Company shall undertake any of the following Activities/Projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”):

- Eradicating hunger, poverty, and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- 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.
- 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.
- 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.
- Measures for the benefit of armed forces veterans, war widows and their dependents Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- Training to promote rural sports, nationally recognized sports, Paralympics, and Olympic sports.
- Contribution to the Prime Minister’s National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES 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.
- Contribution to public funded universities as prescribed in schedule VII or funds provided to technology

incubators in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government

- Rural development projects.
- Slum area developments
- Disaster management, including relief, rehabilitation, and reconstruction activities.
- Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the “Act”) as amended from time to time or the Board may consider to be appropriate. (Collectively hereinafter referred to as “CSR Activities”)

Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

## **7. CSR EXPENDITURE**

### **a. CSR Funds**

- For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.
- The Annual CSR Budget shall be spent on activities laid down in this Policy.
- Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

### **b. Administrative Overheads:**

The Board to ensure that the administrative overheads expenses not to exceed 5% of the total CSR expenditure of the Company for the financial year.

### **c. Surplus arising from CSR activity**

Any surplus arising out of the CSR projects, programs or activities will not form part of the business profit of the Company and shall be treated in the following manner:

- ploughed back into the same project;
- shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan on the Company; or
- such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

**d. Excess CSR Spent**

In case of excess CSR Spend in any year, such excess amount may be set-off against the requirement to spend up to immediate succeeding 3 financial years subject to:

- the excess amount available for set off will not include surplus arising from CSR Activities; and
- the Board to pass a resolution to that effect.

**e. Creation or Acquisition of Capital Assets**

The CSR amount can be spent for creation or acquisition capital assets which shall be held by:

- a company established under section 8 of the Act or Registered Public Trust or Registered Society, having Charitable objects and CSR Registration Number under the Rules;
- beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities;
- public authority.

**f. Treatment of unspent amount**

In the event, if the company fails to spend the entire amount in the financial year, the reasons thereof will be outlined as per section 134 (3) (o) of the Act to be shared with all the stakeholders through the Annual Report and the unspent amount shall be transferred to any fund included Schedule VII of the Act until such a fund is specified in Schedule VII within 6 months from the end of Financial Year. However, any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its 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 amount 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.

**8. CSR ANNUAL ACTION PLAN (CAAP) AND LOCATION OF CSR EFFORTS**

The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism etc.

The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

**9. IMPLEMENTING AGENCY**

The implementing agency should be any:

- company established under Section 8 of the Act, or a registered public trust or the registered society established under section 12AA and 80G of the Income Tax Act, 1961, established by the Company, either singly or along with the other agency; or
- A company established under Section 8 of the Act, or a registered public trust or the registered society established under section 12AA and 80 G of the income tax Act, 1961, established by Central Government and State Government; or
- Any entity established under Act of Parliament or State Legislature; or
- A company established under Section 8 of the Act, or a registered public trust or the registered society established under section 12AA and 80 G of the income tax Act, 1961, and having an established track record of at least three years in the similar activities.

Form CSR -1 – (Rule 4(2) of CSR Rules, 2021) provides that: The eligible entities through which the company has undertaken the CSR Project or Programme will require to register itself with the Central Government by filing electronically e-Form (CSR-1) with effect from 1<sup>st</sup> April 2021 and get the unique CSR Registration Number generated by the system automatically.

## **10. CRITERIA FOR IDENTIFYING EXECUTING PARTNERS**

While undertaking any project or program with other partnering organizations, the Company will undertake due diligence to evaluate the NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the CSR Policy and satisfy itself that the entities in the list of eligible entities through which the company shall undertake the CSR Project or Programme are registered with the Central Government as required under the CSR Rules in this behalf.

## **11. MONITORING AND REVIEWING MECHANISM**

CSR Committee shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company and report to the Board on a regular basis the progress of CSR activities.

## **12. INFORMATION DISSEMINATION**

- Appropriate documentation of the CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
- CSR initiatives of the Company will also be reported in the Annual Report of the Company.

## **13. GENERAL**

- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation and decision of the Committee shall be final.
- Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.



The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board. In the event of any conflict between the provisions of this Policy and of the applicable law, such applicable law in force from time to time shall prevail over this Policy.