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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. PREAMBLE

Kaveri Seed Company Limited ("Company" or "KSCL") recognises its responsibility towards the sustainable development of society and is committed to contributing to the social, economic and environmental development of communities, particularly the weaker, marginalised, underprivileged and disadvantaged sections of society.

The Company believes that responsible corporate citizenship is an integral part of sustainable business development. Through its Corporate Social Responsibility ("CSR") initiatives, the Company seeks to contribute meaningfully towards education, healthcare, livelihood enhancement, environmental sustainability, community development and other areas falling within the activities specified in Schedule VII to the Companies Act, 2013.

The Company shall endeavour to undertake CSR activities in a transparent, accountable, sustainable and participatory manner, with due regard to the needs of the communities in which it operates.

2. SHORT TITLE AND APPLICABILITY

This Policy shall be called the **"Corporate Social Responsibility Policy of Kaveri Seed Company Limited"** ("CSR Policy").

This Policy shall be applicable to the Company to the extent the provisions of Section 135 of the Companies Act, 2013 ("Act"), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), as amended from time to time, are applicable to the Company.

The Policy shall be read together with the Act, the CSR Rules, Schedule VII to the Act and other applicable laws, rules, notifications and circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time.

In the event of any conflict between this Policy and the provisions of applicable law, the provisions of law shall prevail.

3. CSR VISION

The CSR vision of the Company is:

"To contribute to inclusive and sustainable development by creating meaningful and measurable social, environmental and economic impact in the communities associated with the Company."

The Company shall endeavour to support initiatives that improve the quality of life of communities, promote equal opportunities, strengthen livelihoods, protect the environment and contribute to the overall development of society.

4. OBJECTIVES OF THE CSR POLICY

The objectives of this Policy are:

a. To undertake CSR activities in accordance with Section 135 of the Act and Schedule VII thereto;
b. To contribute towards the social and economic development of weaker, marginalised and underprivileged sections of society;
c. To promote education, healthcare, sanitation, livelihood enhancement and skill development;
d. To promote environmental sustainability, conservation of natural resources and ecological balance;
e. To support community infrastructure and development initiatives;
f. To encourage participatory and need-based CSR programmes;
g. To undertake CSR activities in a structured, transparent and sustainable manner;
h. To establish appropriate mechanisms for monitoring, evaluation and reporting of CSR activities; and
i. To create measurable and sustainable social impact through CSR interventions.

5. GOVERNANCE STRUCTURE

The CSR governance framework of the Company shall comprise:

1. The Board of Directors;
2. The CSR Committee, where required under the Act; and
3. The management/team or personnel authorised by the Board/CSR Committee for implementation and monitoring of CSR activities.

The governance structure shall operate in accordance with the Act, CSR Rules and this Policy.

6. BOARD OF DIRECTORS – RESPONSIBILITIES

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

a. approving the CSR Policy based on the recommendation of the CSR Committee, wherever applicable;
b. approving the Annual Action Plan for CSR activities;
c. ensuring that the CSR activities undertaken by the Company are in conformity with the Act, CSR Rules and Schedule VII;
d. ensuring that the Company spends, in every financial year, at least the prescribed amount on CSR activities in accordance with Section 135 of the Act;
e. ensuring that CSR funds are utilised for the purposes for which they are sanctioned;
f. satisfying itself regarding the utilisation of CSR funds;
g. ensuring appropriate monitoring of CSR projects and programmes;
h. ensuring compliance with the provisions relating to unspent CSR amounts, where applicable;
i. ensuring that the prescribed disclosures relating to CSR are made in the Board's Report and on the Company's website;
j. ensuring that surplus arising out of CSR activities is dealt with in accordance with the CSR Rules;
k. ensuring compliance with applicable provisions relating to impact assessment, wherever applicable; and
l. exercising such other powers and responsibilities as may be prescribed under the Act and CSR Rules.

7. CSR COMMITTEE

7.1 Constitution

Where constitution of a CSR Committee is required under Section 135 of the Act, the Committee shall be constituted by the Board in accordance with the applicable statutory requirements.

The CSR Committee of the Company shall comprise such Directors as may be determined by the Board from time to time in accordance with applicable law. The Board may reconstitute the CSR Committee as and when required.

7.2 Present Composition

Subject to the applicable statutory requirements and any subsequent reconstitution approved by the Board, the CSR Committee shall comprise such Directors as may be determined and appointed by the Board from time to time in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

The composition of the CSR Committee shall be reviewed periodically and reconstituted by the Board, as may be required, to ensure compliance with the applicable statutory and regulatory requirements.

8. RESPONSIBILITIES OF THE CSR COMMITTEE

Where applicable, the CSR Committee shall:

a. formulate and recommend to the Board the CSR Policy;
b. recommend the CSR activities and projects to be undertaken by the Company;
c. recommend the amount of expenditure to be incurred on CSR activities;
d. formulate and recommend to the Board the Annual Action Plan;
e. monitor the CSR Policy and implementation of CSR projects and programmes;
f. review the progress of CSR expenditure and utilisation of CSR funds;
g. identify and recommend appropriate implementation agencies, wherever required;
h. review reports submitted by the management/personnel responsible for CSR implementation;
i. recommend modifications to CSR projects or Annual Action Plan, wherever required;
j. review the impact and effectiveness of CSR initiatives;
k. ensure that CSR activities are undertaken in accordance with Schedule VII and applicable law; and
l. perform such other functions as may be prescribed under the Act, CSR Rules or directed by the Board.

9. CSR PROJECTS AND ACTIVITIES

The CSR activities of the Company shall be undertaken within the activities specified under Schedule VII to the Act, as amended from time to time.

The broad areas of CSR intervention may include:

A. Eradication of Hunger, Poverty and Malnutrition

- Support for food and nutrition programmes;
- Measures for eradicating hunger and poverty;
- Support to disadvantaged and vulnerable communities;
- Community welfare initiatives.

B. Healthcare and Sanitation

- Medical and health camps;
- Preventive healthcare;
- Support for healthcare facilities;
- Maternal and child healthcare initiatives;
- Sanitation and hygiene programmes;

- Safe and adequate drinking water facilities;
- Health awareness programmes.

C. Education and Skill Development

- Promotion of education;
- Literacy programmes;
- Educational infrastructure;
- Support for schools and educational institutions;
- Scholarships and educational assistance, wherever permissible;
- Vocational and skill development programmes;
- Employment-enhancing vocational skills.

D. Women Empowerment and Livelihood Enhancement

- Women empowerment initiatives;
- Skill development programmes;
- Livelihood generation programmes;
- Vocational training;
- Self-employment initiatives;
- Community-based livelihood programmes.

E. Environmental Sustainability

- Afforestation and tree plantation;
- Social forestry;
- Water conservation;
- Rainwater harvesting;
- Conservation of natural resources;
- Environmental awareness;
- Biodiversity and ecological sustainability initiatives;
- Measures for maintaining ecological balance.

F. Rural and Community Development

- Rural development projects;
- Community infrastructure;
- Development of public facilities;
- Village development programmes;
- Support for identified communities based on assessed needs.

G. Support for Persons with Disabilities and Vulnerable Groups

- Support to institutions serving persons with disabilities;
- Assistance to disadvantaged and vulnerable groups;
- Programmes promoting inclusion and equal opportunities.

H. Other Schedule VII Activities

The Company may undertake such other CSR activities as may be permitted under Schedule VII to the Act, as amended from time to time.

The above areas are indicative and shall not restrict the Company from undertaking any other activity falling within Schedule VII.

10. GEOGRAPHICAL AREAS OF OPERATION

The Company is headquartered at Secunderabad, Telangana, and has significant operations and processing facilities in Telangana, Andhra Pradesh and Karnataka.

Accordingly, the Company may give preference to CSR activities undertaken in the areas where it operates, including Telangana, Andhra Pradesh and Karnataka, while ensuring compliance with the provisions of the Act and CSR Rules.

The Company may also undertake CSR activities in other parts of India, wherever considered appropriate and permissible under applicable law.

Preference to local areas shall not be construed as creating any statutory restriction on undertaking CSR activities elsewhere in India.

11. IDENTIFICATION AND SELECTION OF CSR PROJECTS

CSR projects shall, as far as practicable, be identified on the basis of:

a. community needs;
b. baseline or need assessment;
c. consultation with local communities and relevant stakeholders;
d. recommendations from local authorities, Gram Panchayats, institutions or other eligible stakeholders;
e. feasibility and sustainability of the proposed project;
f. availability of resources;
g. expected social and environmental impact; and
h. alignment with Schedule VII and the CSR Policy of the Company.

Where appropriate, the Company may undertake need assessment or baseline studies through internal resources or specialised external agencies.

12. ANNUAL ACTION PLAN

The Company shall prepare an Annual Action Plan for each financial year in accordance with the CSR Rules.

The Annual Action Plan may include:

a. the list of CSR projects and programmes to be undertaken;
b. the manner of execution of such projects or programmes;
c. the modalities of utilisation of CSR funds;
d. implementation schedules;

e. monitoring and reporting mechanisms;
f. details of need and impact assessment, wherever applicable;
g. estimated expenditure on each project or programme;
h. implementation agencies, wherever applicable; and
i. such other matters as may be prescribed.

The Board may modify the Annual Action Plan during the financial year based on reasonable justification and on the recommendation of the CSR Committee, wherever applicable.

13. CSR BUDGET AND EXPENDITURE

The Company shall endeavour to spend, in every financial year, at least **2% of the average net profits of the Company made during the three immediately preceding financial years**, or such other amount as may be prescribed under Section 135 of the Act.

Where the Company has not completed three financial years since incorporation, the CSR obligation shall be determined in accordance with the applicable provisions of Section 135.

The CSR budget shall be approved by the Board as part of the Annual Action Plan and/or through such other mechanism as may be prescribed.

The CSR expenditure shall be incurred only on activities falling within Schedule VII and in accordance with this Policy and applicable law.

14. UNSPENT CSR AMOUNT

The Company shall comply with the provisions of Section 135(5) and Section 135(6) of the Act relating to unspent CSR amounts.

Where any amount remains unspent in respect of an ongoing project, the Company shall transfer such amount to the **Unspent CSR Account** within the prescribed period and utilise such amount in accordance with the statutory timelines.

Where any amount remains unspent other than in respect of an ongoing project, the Company shall transfer such amount to a Fund specified in Schedule VII within the prescribed period.

The Company shall undertake all required disclosures and filings relating to unspent CSR amounts.

No unspent CSR amount shall be treated as automatically available for unrestricted carry-forward to subsequent years.

15. SURPLUS ARISING OUT OF CSR ACTIVITIES

Any surplus arising out of CSR activities shall not form part of the business profits of the Company.

Such surplus shall be dealt with in accordance with the provisions of the CSR Rules, including being ploughed back into the same project or transferred to the Unspent CSR Account or otherwise dealt with in the manner prescribed under applicable law.

16. IMPLEMENTATION OF CSR PROJECTS

CSR projects may be implemented:

a. directly by the Company through its own personnel and resources;
b. through eligible implementing agencies permitted under the CSR Rules;
c. through eligible Section 8 companies, registered public trusts, registered societies or other entities satisfying the prescribed statutory conditions;
d. in collaboration with other companies, wherever legally permissible; or
e. through such other mechanism as may be permitted under applicable law.

Where an external implementing agency is engaged, the Company shall undertake appropriate due diligence before appointment.

The implementing agency shall satisfy all applicable legal and regulatory requirements, including registration under the applicable provisions and filing of **CSR-1**, wherever required.

The Company shall maintain appropriate documentation relating to the eligibility and statutory compliance of implementing agencies.

17. MONITORING AND EVALUATION

The Company shall establish an appropriate monitoring mechanism for CSR projects and programmes.

Monitoring may include:

a. periodic review of physical and financial progress;
b. review of utilisation of CSR funds;
c. review of project milestones;
d. obtaining utilisation certificates and supporting documents, wherever appropriate;
e. site visits;

f. beneficiary feedback;
g. periodic reports from implementing agencies;
h. evaluation of outcomes and impact; and
i. corrective action wherever necessary.

The CSR Committee, where applicable, and/or the authorised management personnel shall periodically review the progress of CSR activities and submit appropriate reports to the Board.

18. IMPACT ASSESSMENT

Where impact assessment is mandated under the CSR Rules, the Company shall undertake impact assessment of applicable CSR projects through an independent agency having the requisite qualifications and experience.

The Company shall comply with the applicable statutory thresholds, methodology, reporting and expenditure requirements relating to impact assessment.

The impact assessment reports, wherever applicable, shall be placed before the Board and disclosed in accordance with applicable law.

19. ADMINISTRATIVE OVERHEADS

The Company shall ensure that expenditure on administrative overheads does not exceed the percentage prescribed under the CSR Rules.

The Company shall also ensure that expenditure on impact assessment, where applicable, is dealt with in accordance with the limits and conditions prescribed under the CSR Rules.

20. CSR IMPLEMENTATION AGENCIES – DUE DILIGENCE

Before engaging an external implementing agency, the Company may verify, as applicable:

a. legal status and registration documents;
b. PAN;
c. registration under applicable provisions of the Income-tax Act;
d. validity of 80G approval, wherever applicable;
e. CSR Registration Number / CSR-1 registration;
f. past experience and track record;
g. financial and operational capability;
h. governance structure;
i. previous CSR projects undertaken;
j. utilisation and reporting systems; and
k. such other documents as may be considered necessary.

The Company may prescribe additional contractual conditions to ensure proper utilisation and monitoring of CSR funds.

21. EXCLUSIONS FROM CSR ACTIVITIES

The Company shall not treat the following as CSR expenditure except to the extent specifically permitted under applicable law:

a. activities undertaken in pursuance of the normal course of business of the Company;
b. activities undertaken exclusively for the benefit of employees of the Company or their families;
c. contributions made directly or indirectly to political parties;
d. activities undertaken outside India, except such activities relating to training of Indian sports personnel representing India at specified international events as may be permitted under the Act and CSR Rules;
e. activities supported by sponsorships or marketing benefits to the Company, except where permitted under applicable law; and
f. activities undertaken merely to fulfil statutory obligations under any other law.

22. COLLABORATION WITH OTHER COMPANIES

The Company may collaborate with other companies for undertaking CSR projects or programmes, provided such collaboration is in accordance with the Act, CSR Rules and other applicable laws.

The Company shall ensure that the reporting and accounting of CSR expenditure attributable to the Company are maintained separately and transparently.

23. CSR CAPACITY BUILDING

The Company may undertake capacity-building initiatives for its personnel and/or implementing agencies, subject to the limits and conditions prescribed under the CSR Rules.

Such expenditure shall be appropriately identified and accounted for in accordance with applicable law.

24. CSR REPORTING AND DISCLOSURES

The Company shall make all CSR-related disclosures required under the Act and CSR Rules.

The Company shall disclose, as applicable:

a. CSR Policy;
b. composition of the CSR Committee;
c. Annual Action Plan;
d. CSR expenditure;
e. details of CSR projects and programmes;
f. details of implementing agencies;
g. unspent CSR amounts;
h. surplus arising from CSR activities;
i. impact assessment reports, where applicable; and
j. other information required under the prescribed format.

The CSR Policy shall be placed on the Company's website, wherever required, and the web-link shall be disclosed in the Board's Report in accordance with applicable law.

25. ACCOUNTING AND DOCUMENTATION

The Company shall maintain appropriate books, records and supporting documents relating to CSR expenditure and implementation.

CSR expenditure shall be appropriately identified and accounted for in the Company's books of account.

All implementing agencies shall be required to provide appropriate utilisation and project completion documentation, as considered necessary by the Company.

26. REVIEW OF CSR POLICY

The CSR Committee, where applicable, shall periodically review this Policy and recommend changes to the Board wherever necessary.

The Policy shall be reviewed whenever there is a change in:

a. applicable law;
b. CSR Rules;
c. Schedule VII;
d. regulatory requirements; or
e. the Company's CSR strategy or governance framework.

The Board may amend this Policy based on the recommendation of the CSR Committee or otherwise as may be required to ensure compliance with applicable law.

27. INTERPRETATION

In case of any ambiguity or inconsistency in this Policy, the provisions of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, Schedule VII and other applicable laws shall prevail.

Any matter not specifically covered by this Policy shall be dealt with in accordance with applicable law and such directions as may be issued by the Board from time to time.

28. EFFECTIVE DATE

This Policy shall become effective from the date of approval by the Board of Directors of Kaveri Seed Company Limited and shall remain in force until amended or superseded by the Board.

For Kaveri Seed Company Limited

Sd/-
Chairman & Managing Director / Authorised Director

KAVERI SEED COMPANY LTD. SECUNDERABAD