



9/27/2014

[Star Agriwarehousing & Collateral Management Ltd]

CSR Policy

Title and Applicability

Star Agriwarehousing & Collateral Management Ltd. (here by referred to as the Company) CSR policy has been developed in consonance 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 (here by Referred to as the Rules in this policy) notified thereof by the Ministry of Corporate Affairs, GOI on 27th February 2014 and as amended from time to time.

The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

StarAgri Vision Statement

The Company's vision is to be the most trusted solution provider in agribusiness by building the finest warehousing infrastructure across the country and delivering value to all stakeholders – farmers, banks and buyers across the agriculture processing value chain

Objectives of Star Agri's CSR

The Company's CSR objectives:

1. Align and integrate CSR programmes for strengthening farming communities & the communities where our people live & work- including our Warehousing/ Research sites.
2. Capacity building for farmers covering best sustainable farm management practices
3. Training agriculture labour on skill development
4. Doing our own research in the field of individual crops to find out the most cost optimum and agri-ecological sustainable farm practices
5. Collaborate with communities and non profit organizations contributing to the national focus on eradicating poverty and hunger, promoting education, empowering women, creating vocational skills for enhancing employment, providing health care facilities, in rural areas conservation of natural resources, creation of women's self help groups, rural capacity building programmes and other such social initiatives.

6. To sustain and continuously improve lives for communities focusing on areas of food security, sanitation, access to clean water, public safety and education.
7. To focus on improving food security in the communities by encouraging kitchen gardens - focused on teaching young people how to grow food; enhance nutrition and cognitive development.
8. To encourage employee volunteerism programs.

CSR Budget

- I. 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 three immediate preceding financial years.
- II. All CSR related expenditure will be accounted and documented regularly and reported externally on an annual basis.
- III. As per section 135 the Company will report reasons for under spending of the allocated CSR budget of the current financial year.

Validity of CSR policy

- I. The Company CSR Policy has been approved by the Board on 27/09/2014.
- II. The CSR policy will be amended as required.

Maintenance of CSR policy

- I. The CSR policy will be maintained by the CSR Committee. A mechanism for board level review of the CSR policy at periodic intervals will be put in place.
- II. The review meeting will include all members of the Board and other relevant stakeholders.

Areas of Operation

Star Agri's focus areas for the CSR activities would primarily be the surrounding areas of the warehouses of the company at various states in Country. However, for a wider impact, the Company may extend its outreach to other geographies in the Country as may be approved by the CSR Committee /Board from time to time.

CSR Interventions

Star Agri's CSR thrust shall be in the field of Health Care & Sanitation, Drinking Water, Education, Livelihood Enhancement, Environmental Sustainability & Rural development projects. It will also undertake programs to promote rural sports and culture, conservation of natural resources, skill development, Entrepreneurship building, and other community need based infrastructure projects in its areas of operation as follows:

Healthcare & Sanitation:

- ✓ Ensuring access to potable drinking water and hygienic sanitation
- ✓ Construction of rural household toilets

Environment Care:

- ✓ Undertake afforestation and plantation around warehouses
- ✓ Develop water bodies and support rain water harvesting

Rural Infrastructure Projects:

- ✓ Provide Bore wells, Tube wells and Ring Wells and maintenance of these units
- ✓ Drinking water moats for domestic animals
- ✓ Rural Electrification projects either through installation of solar street lights or providing conventional street light fitting
- ✓ Construction of drains, foot over bridges over Nallahs and rivulets

Approach

All CSR initiatives will be done through registered NGOs, Government and Government Organisations and business partners.

Delivery Mechanism

The planning, implementation, execution, monitoring and reporting will be done by Company's CSR Team with the help of other departments and registered trusts.

Governance Structure

Star Agri's CSR governance mechanism will be as follows

Board: The Board of Company will be responsible for

- constituting the CSR committee through a Board resolution with the defined composition and tenure.
- approve the CSR policy as formulated by the CSR Committee through a Board resolution
- ensure that every financial year funds committed by the Company for CSR activities are utilized effectively and will monitor implementation regularly.
- disclose in its Annual Report the names of the CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website and director report.
- ensure annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.

CSR Committee : The CSR Committee will be responsible for

- formulating the CSR policy and identify activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- recommending the CSR expenditure to be incurred.
- reporting back to the Board of Directors for approval of the CSR policy
- regularly monitoring the implementation of the CSR policy
- change/modify the CSR policy as per requirement.

CSR Team: The CSR team will be responsible for:

- central coordinating point for the delivery of CSR activities
- interface with various organisation units to ensure effective implementation of CSR programmes.
- interface with the CSR head who will be responsible to report to the CSR Committee on programme implementation updates.
- regularly provide feedback to the CSR committee
- plan annual budgets for CSR activities based on audits (programmatic and financial)
- identify and manage partners to implement programmes as required.

- any other activities that may be required to effectively deliver the CSR programmes of the Company.

Monitoring and Reporting Framework

In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework is being put in place. The monitoring and reporting mechanism is divided into three distinct areas:

- I. Programme Monitoring:
- II. Evaluation:
- III. Reporting and Documentation:

Programme Monitoring

- I. programme monitoring mechanism will ensure:
 - the CSR policy is implemented as per the Act and the Rules
 - The CSR policy is implemented ensuring that all projects/programmes as budgeted are duly carried out.
- II. a separate budget will be earmarked for set up and implementation of the monitoring system. The cost incurred (will be/Can be) billed to the CSR spend of the Company.
- III. CSR spends will be closely monitored and funds shall be released against verified utilizations as per the approved work plans. This may include monthly field visits, comprehensive documentation, and regular interaction with beneficiary communities.
- IV. CSR spends will be audited in an accountable and transparent manner.
- V. Quarterly reporting and review by the CSR committee and six monthly reviews by the Board.

Evaluation

- I. a robust StarAgri CSR monitoring mechanism and evaluation plan will be put in place
- II. expected outcomes, outputs and inputs will be clearly defined for each programme as per stated timelines.
- III. there shall be clarity about the scope of the programme and the need before evaluations are undertaken.
- IV. head CSR will be authorized to decide whether it will be internal, external or third party evaluation

Documentation and Reporting

- I. as per compliance to the Act and in preparation of the annual CSR report, The CSR head and CSR Committee will ensure the following:
 - CSR projects and porgrammes will be properly documented.
 - An MIS in maintained on spending across sectors geographies and beneficiaries impacted. The MIS structure will be in alignment with the prescribed reporting format
 - Accountability is fixed at each level of CSR process and implementation.
 - II. Reports may include:
 - Annual business responsibility report
 - CSR Reporting - Annual as per CSR Rules and reporting format
 - Sustainability Reporting
 - Quarterly internal review reports, field visits reports etc.
 - audit reports
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