

PLOUGHMAN AGRO PRIVATE LIMITED

POLICY FOR CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

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1. Preamble

The Ploughman Agro Private Limited is a private limited company incorporated in 2020 under the Indian Companies Act, 2013. It is involved in marketing of stakeholders produce for remunerative price. PAPL was born out of the realization that farmers' organization (FPOs) need support for marketing, processing, brand building, credit linkage, infrastructure and other professional services to mark their footprint in the agriculture value chains. The idea of PAPL was conceptualized by the Action for Social Advancement (ASA), a not-for-profit organization, which began the FPO development work in India in 2005. ASA continues to support the idea of PAPL and encourages it to become an organization of excellence connecting millions of smallholders with the market.

2. Commitment For CSR & Sustainability

PAPL is committed to fostering a sustainable, inclusive, and equitable farming ecosystem.

The CSR activities are guided by the philosophy of creating production systems that are:

- Economically remunerative for smallholder farmers,
- Socially inclusive, ensuring opportunities for disadvantaged communities, and
- Environmentally sustainable, preserving natural resources for future generations.

The Policy outlines the company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare and sustainable development of the community at large.

A. Objectives of this CSR Policy

The key objectives of the CSR policy are:

1. To earmark funds on annual basis for carrying out CSR Programmes.
2. To develop CSR Programmes.
3. To specify focus areas for CSR activities.
4. To set out the implementation strategy of the CSR initiatives.
5. To institute the monitoring mechanism for the CSR initiatives.
6. To lay down the methodology for and measuring the outcomes and impact of the CSR initiatives.

3. Guiding Principles

PAPL's CSR interventions shall be aligned with:

1. The provisions of Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014.
2. Schedule VII of the Companies Act, ensuring activities fall within prescribed categories.
3. The company's philosophy of improving farmer livelihoods while protecting the environment.

4. Scope & Coverage

As the business activities of PAPL Co. Ltd. extend over almost all parts of India, PAPL Co. Ltd. will have several opportunities of varying scales and expanse to make a social impact on people and their livelihood and environment.

The focus areas identified for PAPL Co. Ltd. CSR initiatives are:

1. **Eradication of Poverty:** focus on the small and marginal farmers, poor, needy, deprived, under-privileged and differently abled persons.
2. **Environment:** promoting environmental sustainability, ecological balance, conservation of natural resources and maintaining the quality of soil, air and water.
3. **Social empowerment:** training and supporting self-employment opportunities.
(Any other Schedule VII Objectives)

5. Mechanism & Process

a) Structure

- A CSR Committee of the Board, chaired by the Managing Director, with at least two directors as members.
- The CSR Committee formulates, recommends, and monitors the CSR Policy and activities.
- A dedicated CSR Cell will support implementation.

b) Programme

CSR activities will be undertaken as projects/programmes, not as part of routine business. PAPL may:

- Implement directly through its employees.
- Partner with registered trusts, societies, or Section 8 companies with proven track records.
- Collaborate with specialised agencies, NGOs, self-help groups, local bodies, or professional organisations.

c) Fund Allocation & Expenditure

- Minimum of 2% of the average net profit of the last 3 years will be spent on CSR initiatives undertaken by PAPL Co. Ltd.
- CSR Cell of PAPL Co. Ltd. would act as "NODAL" and would put up all cases to the CSR Committee for consideration. The board will approve the appropriate proposals. The managing director will authorise the expenditure as per the approval/ his financial limits. If there is any deviation in the expenditure from the approved proposal, it would be put up for the board's approval.
- All expenses towards programs, projects and activities will be supported with appropriate documentation
- In the event that 2% of the average net profit of the last 3 years is not spent in a financial year on the selected CSR activities, reasons for the

same shall be specified in the annual report on CSR activities in the board's report.

- Any surplus generated out of the CSR activities will not be added to the normal business profits of PAPL Co. Ltd.

d) Planning & Implementation

PAPL Co. Ltd. will undertake CSR activities in any of the following manners:

1. Directly by PAPL Co. Ltd. through its employees or through a registered trust or a registered society or a company established by PAPL Co. Ltd. or through its holding, subsidiary or associate company under section 8 of the Companies Act, 2013 or otherwise; or
2. Through other foundations, trusts or a company registered under section 8 of the Companies Act, 2013 or section 25 of the erstwhile Companies Act, 1956.
3. Partnering with other organisations/institutions who specialise in such projects.
4. Engaging the services of specialised agencies to implement the projects.

If the trust, society or company is not established by PAPL Co. Ltd. or its holding, subsidiary or associate company, PAPL Co. Ltd. would ensure that it has an established track record of three years in undertaking similar programs or projects and has registration under section 12AA and 80G of the Income Tax Act.

Specialised agencies would include:

- i. Community based organisation, whether formal or informal
- ii. Elected local bodies such as Panchayats
- iii. Voluntary agencies (NGOs)
- iv. Institutes/academic organizations
- v. Trusts
- vi. Self-help groups
- vii. Government, semi-government and autonomous organizations
- viii. Standing conference of public enterprises (SCOPE)
- ix. Mahila Mondals/Samitis and the like
- x. Contracted agencies for civil works
- xi. Professional consultancy organisation

While partnering with other organisations / institutions or engaging the services of specialised agencies, the credentials of such entities will be verified and all requisite information and documentation as listed in **Annexure 1** would be obtained and necessary documentation would be completed.

For CSR activities where a Community Development Program is involved, a base line survey will be carried out and the cost benefit assessed.

Objectives of Baseline Survey:

- i. Understanding the primary and specific objective of various social programs and determining how realistic they are.

- ii. Identify the organizational capacity and the background of the NGO and whether it can actually carry out the project and ensure its success.
- iii. To know the nature of the NGO - whether it's community, local, or national-centric, along with the core activities and purpose of the organization.
- iv. Meticulous documentation relating to CSR policies, programs, expenditures, procurement, etc. shall be prepared and placed before the CSR Committee

e) Monitoring, Evaluation & Reporting

- In terms of the provisions of section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 the Board of Directors (Board) of PAPL Co. Ltd. have constituted a Corporate Social Responsibility (CSR) Committee comprising a minimum of two or more directors.
- The Committee is headed by the managing director, and two current members of the board as members.
- The CSR Committee has formulated this CSR Policy indicating the activities to be undertaken by PAPL Co. Ltd.
- The Board of PAPL Co. Ltd. after taking into account the recommendations made by the CSR Committee has approved this CSR Policy.
- The CSR Committee along with the CSR team of employees of PAPL Co. Ltd. would be responsible for implementing and taking decisions in respect of the CSR Policy.
- The CSR Committee shall monitor the implementation of the CSR projects, programs and activities from time to time and issue suitable directions to the CSR team.
- The CSR Committee shall decide the priority of the activities to be undertaken for CSR.
- The CSR Committee shall hold at least two meetings every year for reviewing the implementation of the CSR Policy and report their findings/views to the board of PAPL Co. Ltd.
- The CSR Committee shall review the CSR Policy from time to time and suggest modifications, if required.
- The CSR committee can communicate with any means of communication.
- A full time CSR Cell will be constituted, headed by a person appointed by the board who will prepare the report on CSR activities. Monthly reports on CSR will be sent to the CSR Committee highlighting the cumulative outlays and outcomes of the programs giving requisite details.
- The report(s) shall include the details of the program's effectiveness in achieving the desired objectives by actually reaching out to the beneficiaries or intended beneficiaries of the respective projects, programs and activities.

- The CSR Committee will review the reports at its meetings and periodically report to the Board of Directors.
- Based on effectiveness and necessity, the CSR Committee can make recommendations to the board for continuation or withdrawal of any particular project, program or activity.
- Upkeep and Maintenance of Assets Created - Maintenance of assets created under CSR will be the responsibility of the concerned beneficiaries and local representatives. Before any capital investment is made, an undertaking will be taken from representatives of the local community specifying their responsibility for the maintenance of the assets.

6. Policy Review

- The CSR Policy will be reviewed periodically by the CSR Committee and Board to ensure alignment with regulatory changes and company priorities.
- Modifications, if any, will be recommended by the CSR Committee for Board approval.

ANNEXURE 1

Indicative List of CSR & Sustainability Projects/Programmes/Activities:

- Eradicating hunger, poverty, and malnutrition.
- Promoting health care and sanitation.
- Ensuring environmental sustainability.
- Employment-enhancing vocational skills.
- Rural development projects.
- Other activities aligned with **Schedule VII of the Companies Act, 2013**.

Documents to be obtained when partnering with external entities:

- a. Memorandum of Association and Articles of Association
- b. Charter constituting the entity
- c. Registration certification
- d. Audited financial statements / accounts for the last three years
- e. IT Exemption Certificate under Section 12AB/10(23C)/80G/ 35(i), as may be applicable and available
- f. Pan Card
- g. Letter of authority or approval, as may be applicable, for the entity to undertake the project
- h. Details of the entity's organisational structure, capability, technical skills and manpower resources

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