

**PATANJALI FOODS LIMITED**  
*(Formerly known as Ruchi Soya Industries Limited)*

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

*(Approved by the Board of Directors at their meeting held on August 11, 2023)*



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## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

### 1. Corporate Social Responsibility (CSR) – Philosophy:

- 1.1 Patanjali Foods Limited (Formerly known as Ruchi Soya Industries Limited) (the “**Company**”) has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities, such that it positively affects society socially, ethically, and environmentally also. The Company is taking up various Corporate Social Responsibility (“**CSR**”) initiatives and enhancing value in society.
- 1.2 Social and environmental responsibility has always been at the forefront of Company’s operating philosophy and as a result, the Company consistently contributes to socially responsible activities. CSR at the Company portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, the Company always tries to contribute to social and environmental causes on a regular basis. We believe that to succeed, an organization must maintain the highest standards of corporate behavior towards its employees, consumers, and societies in which it operates. The Company is of the opinion that CSR underlines the objective of bringing about a difference and adding value to our stakeholders’ lives.
- 1.3 With the advent of the Companies Act, 2013 (hereinafter referred to as “**the Act**” including the rules made there under, modifications, amendments, or re-enactment thereof), the constitution of a CSR Committee of the Board and formulation of a CSR Policy became a mandatory requirement. Therefore, the Company has formulated a robust CSR Policy that encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare and sustainable development of society.

### 2. Definitions:

Unless the context otherwise requires, the following words, expressions, and derivations therefrom shall have the meaning assigned to them as under:-

- (i) “**Administrative overheads**” means the expenses incurred by the Company for ‘general management and administration’ of CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or program.
- (ii) “**Board**” shall mean the Board of Directors of the Company.
- (iii) “**Company**” shall mean Patanjali Foods Limited and wherever the context requires, shall signify the Company acting through its Board.
- (iv) “**Corporate Social Responsibility (CSR)**” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
  - (a) activities undertaken in pursuance of normal course of business of the Company;



- (b) 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 the international level;
  - (c) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
  - (d) activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019;
  - (e) activities supported by the companies on a sponsorship basis for deriving marketing benefits for its products or services;
  - (f) activities carried out for the fulfilment of any other statutory obligations under any law in force in India.
- (v) **“The Act”** shall mean The Companies Act, 2013.
- (vi) **“CSR Budget”** shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR activities, projects, or programs.
- (vii) **“CSR Committee”** shall mean the ESG and CSR Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.
- (viii) **“CSR Policy”** shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR expenditure thereon and shall include the meaning assigned to it under rule 2(1)(f) of CSR Rules.
- (ix) **“CSR Rules”** shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any re-enactment, modifications, or amendments thereof.
- (x) **“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.

*Words and expressions used but not defined in this Policy shall have the same meanings as defined in the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”), or other cognate statutes.*

### **3. Duties and responsibilities of the Board of Directors:**

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

- (i) Ensuring that projects mentioned in this CSR Policy are undertaken by the Company;
- (ii) Ensuring that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during three immediately preceding financial years in pursuance of the CSR Policy;



- (iii) Ensuring that the Board specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount and, unless the unspent amount relates to any Ongoing Project, transfer such unspent amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year or to such other fund as may be prescribed under the law.  
Provided that if the Company spends an amount in excess of the requirements as specified in paragraph (ii) above, the Company may set off such excess amount for such number of succeeding financial years and in such manner, as may be prescribed under the Act read with CSR Rules.
- (iv) Ensuring that the funds so disbursed for CSR expenditure have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.
- (v) In case of an Ongoing Project, monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- (vi) Ensuring disclosure of the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
- (vii) Ensuring that the administrative overheads shall not exceed such amount as may be prescribed under the provisions of the Act and CSR Rules.
- (viii) Ensuring that the capital asset, if any, created or acquired by the Company shall be held by -
  - (a) a company established under section 8 of the Act 2013, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
  - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (c) a public authority.

#### **4. Constitution of CSR Committee:**

Keeping in line with the provisions of section 135 of the Act and the rules made thereunder, the Board of Directors of the Company shall form a CSR Committee of the board, unless otherwise exempted under section 135(9) of the Act, consisting of 3 or more directors, out of which at least one director shall be an independent director, to carry out activities as mandated under the Act and CSR Rules. In addition to the responsibilities set out under the Act, the CSR Committee shall also be responsible for the oversight of business responsibility and sustainability reporting policy (“BRSR Policy”) and compliances related thereto, to the extent provided herein below in this Policy.

#### **5. Roles and responsibilities of CSR Committee:**

The CSR Committee of the Company will be responsible for:

- (i) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in the areas or subjects as specified in Schedule VII of the Act and CSR Rules;



- (ii) To recommend the amount of expenditure to be incurred on the CSR activities;
- (iii) To monitor the CSR Policy of the Company from time to time;
- (iv) To monitor the implementation of the framework of CSR Policy;
- (v) To formulate and recommend to the Board, an annual action plan in pursuance of CSR Policy;
- (vi) To carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment, or modification as may be applicable or as may be necessary or appropriate for the performance of its duties;
- (vii) The CSR Committee will also be responsible for guiding, managing, and reviewing performance on quarterly basis;
- (viii) Emphasize the importance of environmental measures, sustainability goals, and performance, at all levels of the business;
- (ix) Increase the understanding and awareness of corporate governance and social aspects that impact the industry;
- (x) Oversight of the business responsibility and sustainability reporting policy;
- (xi) Responsible for decision making on sustainability related issues;
- (xii) Performance against business BRSR Policy and follow up actions;
- (xiii) Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances with respect to BRSR Policy;

## **6. CSR Objectives and Projects:**

- 6.1. The Company will carry out/get implement its CSR activities either directly or through the implementing agencies in accordance with the provisions of the Act and CSR Rules.

The Company will undertake its CSR Activities in the areas given in Schedule VII to the Act or in the areas as specified by the Ministry of Corporate Affairs ("MCA") through its rules or regulations made thereunder or circulars/ notifications issued by it, including any statutory modification for the time being in force.

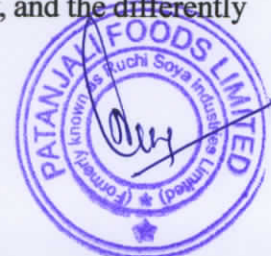
- 6.2. The Company shall give preference to the local area and areas around it where it operates, for undertaking/implementing/executing/collaborating for CSR Activities.
- 6.3. The CSR Committee will be entitled to include other projects/ programs/ activities, or any social development initiative as may be approved by the CSR Committee/Board which is in consonance with the Act read with Schedule VII read with this CSR Policy.

## **7. CSR Activities:**

- 7.1 Company shall undertake CSR activities for development of the society and the environment, particularly in the vicinity of the areas where the facilities of the Company are located.

A. The Company may undertake such activities which are broadly related to any of the following:

- (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation.
- (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, agroforestry, conservation of natural resources and maintaining quality of soil, air, and water.
  - (v) 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 art and handicrafts.
  - (vi) 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.
  - (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
  - (viii) Rural development project.
  - (ix) Development of area declared as “slum area” by the Government or Competent Authority.
  - (x) Disaster management, including relief, rehabilitation, and reconstruction activities.
- B. The Company may also contribute to the following funds as part of CSR activities:
- (i) Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
  - (ii) Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
  - (iii) Prime Minister’s National Relief Fund or Prime Minister’s Citizen 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 schedule caste, tribes, other backward classes, minorities, and women.
  - (iv) Contribution to incubators or research and development projects 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.
  - (v) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous Bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other Bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).



7.2 The above areas as enshrined in Schedule VII to the Act and included in this Policy aim to provide macro areas in which CSR projects should be undertaken by the Company. The CSR Committee should consider details of CSR projects as elaborated in the annual action plan for each financial year.

**8. Focus Areas:**

While the Company may undertake CSR activities in any areas listed above, the focus areas of CSR activities should be on the following aspects:

- (i) Agriculture & Animal Husbandry,
- (ii) Children's Well-being & Education,
- (iii) Drinking Water & Sanitation,
- (iv) Development of Community Infrastructure,
- (v) Environment protection,
- (vi) Education to underprivileged,
- (vii) Environment Protection & Restoration,
- (viii) Health Care and Camps,
- (ix) Rainwater Harvesting,
- (x) Rural Transformation,
- (xi) Safe Drinking Water,
- (xii) Skilling the Youth for new opportunities,
- (xiii) Sports & Culture,
- (xiv) Women's Empowerment.

**9. Annual Action Plan**

The CSR Committee shall formulate and recommend to the Board, CSR Policy and an annual action plan in pursuance of its CSR policy, which shall include the following, namely:

- (i) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (ii) the manner of execution of such projects or programs as specified in sub-rule (1) of rule 4;
- (iii) the modalities of utilization of funds and implementation schedules for the projects or programs;
- (iv) monitoring and reporting mechanism for the projects or programs; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the Company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.





**10. Identification of CSR Projects:**

- 10.1 The CSR Committee shall recommend the activities for CSR along with estimated expenditure and phase-wise implementation schedules.
- 10.2 The CSR Committee or any other person authorized in this behalf may engage any professionals/firms/agencies, if so required, for the purpose of identification and/ or implementation of CSR projects.

**11. Implementation of CSR Projects:**

- 11.1 The Company shall implement the identified CSR projects in the following manners:
- (i) The CSR projects will be implemented in a time-bound manner with clear objectives, plan, targets and robust monitoring and evaluation mechanisms.
  - (ii) The CSR projects shall be undertaken in India only except for training of Indian sports personnel representing any State or Union territory at the national level or India at the international level.
  - (iii) The Company shall not undertake such activities which are in the normal course of business as CSR activities.
  - (iv) The Board of the Company may decide to undertake its CSR activities as recommended by the CSR Committee, through:-
    - (a) a company established under section 8 of the Act or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 established by the Company, either singly or along with any other company; or
    - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
    - (c) any entity established under an Act of Parliament or a State legislature; or
    - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and has an established track record of at least three years in undertaking similar activities.
- 11.2 However, if the Board of the Company decides to undertake its CSR activities through any of the entities specified above then the Company shall specify the projects or programs to be undertaken, the modalities of utilization of funds of such projects and programs, and the monitoring and reporting mechanism.
- 11.3 Every entity, covered under paragraph (d) above, that intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar of Companies.



- (i) The Company may engage international organizations for designing, monitoring, and evaluation of the CSR projects or programs as per its CSR policy as well as for the capacity building of their own personnel for CSR.
- (ii) The Company may use the services of expert agencies, consultancy firms etc. wherever required for carrying out baseline surveys, guidance on project design and implementation, third-party monitoring and evaluations, impact assessment surveys etc.
- (iii) The Company may collaborate or pool resources with other Companies to undertake CSR Activities.

## **12. Monitoring Mechanism and Impact Assessment:**

12.1 The Company shall institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project has:

- (i) clear objectives developed out of the societal needs that are determined through baseline studies and research;
- (ii) clear targets, timelines and measurable parameters wherever possible;
- (iii) a progress monitoring and reporting framework that is aligned with the requirements of section 135 of the Act and the CSR Rules.
- (iv) Internal audit and review as well as regular capacity building at all levels of execution/implementing partners and monitoring/review committees will be done on a regular basis.

12.2 If the Company is having average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Further, the Company may book the expenditure related to impact assessment towards CSR for that financial year, subject to the conditions prescribed under the Act and CSR Rules.

12.3 In addition to the above reporting requirement, following regulatory disclosure is also required to be made in compliance with the Act and CSR Rules.

- (i) Composition of the CSR Committee shall be disclosed in the Board Report;
- (ii) The board report shall include an annual report on CSR activities in the format prescribed under the CSR Rules;
- (iii) If the Company fails to spend the prescribed amount, the Board shall, in its report specify the reasons for not spending the amount.

## **13. Reporting framework:**

13.1 The Company will monitor progress on CSR projects and CSR spend and report to the top management quarterly and the CSR Committee half yearly.



13.2 The Company will report CSR performance in its annual report as per the structure and format prescribed in the notified CSR Rules.

13.3 The Company will share its CSR performance with its various stakeholders through its annual Report, media, conferences, brochures, short films etc.

**14. Fund allocation:**

14.1 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 immediately three preceding financial years towards CSR activities;

14.2 The CSR Committee shall prepare a CSR budget which may include:

- (a) Identified CSR Projects;
- (b) CSR expenditure;
- (c) Implementation Schedules.

14.3 Total expenditure in the CSR Budget shall be approved by the Board upon recommendation of the CSR Committee.

14.4 Subject to the provisions of the Act and CSR Rules, any amount remaining unspent on CSR shall be appropriated in such manner as may be decided by the CSR Committee and the Board from time to time in accordance with the provisions contained under the Act and CSR Rules.

14.5 Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spend in pursuance of CSR Policy and annual action plan of the Company or transfer such surplus amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

**15. Transfer of Unspent CSR Amount:**

Any amount remaining unspent under sub-section 135 (5), pursuant to any Ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its CSR 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 (“**Unspent CSR Account**”), and such amount shall be spent by the Company in pursuance of its obligation towards the CSR 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.



**16. Review Periodicity**

The CSR Policy may be revised/modified/amended on the recommendation of the CSR Committee and with the approval of the Board. The Company shall upload this CSR Policy on its website and a web link of the same will be provided in the annual report on CSR to be annexed with the Board's report of the Company.

**17. Interpretation**

Any ambiguities, interpretative issues, difficulties will be resolved by the Board of Directors of the Company in line with the broad intent of this CSR Policy read with the applicable provisions of the Act and CSR Rules.

**18. Amendment**

In the event of any conflict between the provisions of this CSR Policy and the Act or the CSR Rules or any other statutory enactments or rules, the provisions of the Act or CSR Rules shall prevail over this CSR Policy and the part(s) so repugnant shall be deemed to be severed from CSR Policy and rest of CSR Policy shall remain in force provided that any amendment/modification in the Act or CSR Rules shall automatically apply to this CSR Policy.

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