

GOVIND MILK AND MILK PRODUCTS PVT LTD

CSR Policy

Corporate Social Responsibility Policy

Background

At the outset, CSR activities at **Govind Milk and Milk Products Pvt Ltd (Govind)** are already in existence for the benefit of the Society by way of Social Business Project through Animal Husbandry, Agricultural and Social Welfare etc. It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability. Further, CSR makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

Objective

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society and farmers. **Govind** will act as a good corporate citizen and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

Measures

In the aforesaid backdrop, policy on CSR of **Govind** is broadly framed taking into account the following measures:

1. The CSR activities shall be undertaken by **Govind** as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
2. The CSR activities which are exclusively for the benefit of **Govind** employees or their family members shall not be considered as CSR activity.
3. **Govind** shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.
4. The Board of **Govind** may decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or

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Associate company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

List of Activities for CSR work

The following is the list of CSR projects or programs which **Govind** shall select point VIII. Social Business Project activities pursuant to Schedule VII of the Companies Act, 2013:

- i) Eradicating extreme hunger and poverty
- ii) Promotion of education
- iii) promoting gender equality and empowering women
- iv) Reducing child mortality and improving maternal health
- v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases
- vi) Ensuring environmental sustainability
- vii) Employment enhancing vocational skill
- viii) Social business project
- ix) Contribution to various government funds set up for specific objects
- x) Such other matters as may be prescribed

OR

Any other activities which covers under the above said broad activities as may be considered appropriate by the Board of directors pursuant to the provisions of the section 135 of the Companies Act, 2013 and the rules, regulations and clarifications as may be issued by the Central Government from time to time.

Constitution of Corporate Social Responsibility Committee:

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board (“CSR Committee”) consisting of three Directors and Company Secretary shall act as a Secretary to the Committee.

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The Composition of Committee is as follows:

Sr.No.	Name	Designation in Company	Designation in Committee
1	Sanjeev Naik Nimbalkar	Chairman	Chairman
2	Shivanjali Naik Nimbalkar	Director	Member
3	Rajiv Mitra	Managing Director	Member

The CSR Committee shall—

1. Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities; and
3. Monitor the Policy of the company from time to time.

The Board of the company shall after taking into account the recommendations made by the CSR Committee, approve the policy and disclose contents of such Policy in its report and also place it on the company's website and ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.

Govind provide the vision under the leadership of its Chairman, Shri Sanjeev V. Naik Nimbalkar. At the **Govind**, Mr. Rajiv Mitra, Managing Director of the Company takes on the role of the mentor, while the onus for the successful and time bound implementation of the CSR activities/projects is on the Mr. Shantaram Gaikwad Head of Veterinary. To measure the impact of the work done, a social satisfaction survey/audit is carried out by an internal or external agency as may be decided by the CSR Committee from time to time.

Activities, setting measurable targets with timeframes and performance management:

Prior to the commencement of CSR activities/projects, **Govind** will carry out a baseline study of the nearby area/ villages of the Company's factory location Phaltan, Satara (Maharashtra).

The study encompasses various parameters such as method of animal husbandry and health of cattle, quality of milk, targeted market for produced milk etc. From the data generated, a 1-year plan and a 5-year rolling plan are developed for the holistic and integrated development of the affected people. All activities/projects of CSR are assessed under the agreed strategy, and are monitored every quarter/year, measured against targets and budgets. Wherever necessary, midcourse corrections are made.

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Partnerships:

Collaborative partnerships may be formed with the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders. This helps widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

Budgets:

1. A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.
2. In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.
3. Approving authority for the CSR amount to be spent would be Chairman or the Managing Director or Chief Financial Officer of **Govind** after due recommendation of CSR Committee and approval of the Board of Directors.
4. The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of **Govind** .
5. The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
6. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.
7. Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

Information dissemination:

The Company's engagement in this domain is disseminated on its website, annual reports and its house journals as and when deem fit.

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Management Commitment:

Our Board of Directors, Management and all of employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Update:

CSR Committee of Board of **Govind** will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

Compliance with Companies Act, 2013:

Our Corporate Social Responsibility policy conforms to Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India.

Effective date and approval of the Policy:

The aforesaid CSR policy has been approved by the CSR committee and Board of directors which shall be effective from 1st April, 2014.

Place: Phaltan

Date: 01.04.2014