



INDIAN SUGAR EXIM CORPORATION LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

ISEC – CSR Policy

1. Concept

1.1 Background

The Company is required to formulate a Corporate Social Responsibility (CSR) Policy pursuant to the provisions of the Companies Act, 2013 and the Rules framed there under. In order to provide impetus to social initiatives and make the entire process and activities more effective, it is imperative to outline the Corporate Social Initiatives of ISEC into a formal CSR Policy.

1.2 Title & Scope

- a) This policy shall be called “ISEC CSR Policy” as envisaged under Section 135 of the Companies Act, 2013 and the Rules framed thereunder.
- b) The Policy outlines the Company’s philosophy and responsibility as a corporate citizen of India and lays down the guidelines and mechanism for undertaking CSR activities.
- c) This policy shall apply to all Corporate Social Responsibility (CSR) initiatives and activities taken up by the Company at various locations in India.

1.3 CSR Vision and Guiding Principles

- a) ISEC’s CSR Vision is to work for the welfare and sustainable development of the community in and around its areas of operation and other parts of the country.
- b) The Company shall endeavour to adopt best practices and integrate them into its business strategies and operations.

2. CSR Activities

The Company shall undertake and execute programmes under all or any of the following CSR segments:

- Eradicating hunger and poverty;
- Promotion of education;
- Employment enhancing vocational skills;
- Promoting gender equality and empowering women;
- Ensuring environmental sustainability, ecological balance, animal welfare, conservation of natural resources and maintaining quality of soil, air and water.

The CSR Committee may identify other areas for CSR activities, from time to time.

3. Resources

3.1 Funding & Allocation

For achieving its CSR objectives ISEC will implement meaningful and sustainable CSR programmes. ISEC shall endeavour to allocate the following as its *Annual CSR Corpus*:

- i) 2% of its average net profits made during the three immediately preceding financial years, as prescribed under the Companies Act, 2013 and the Rules framed thereunder;
- ii) Any income arising therefrom; and
- iii) Surplus arising out of CSR activities.

4. Implementation

4.1 a) CSR programmes, projects or activities, will be implemented through one or more of the following methods:

- i) Directly by ISEC;
- ii) Any other Registered Trust, Society or Section 8 Company (i.e. a Company registered under Section 8 of the Companies Act, 2013) with an established track record of at least three years in carrying out the activities in related areas;
- iii) In collaboration with any other organization.

b) The allocated CSR budgets / Corpus will be utilized for CSR activities undertaken within India:

- i) which are not exclusively for the benefit of employees of the Company or their family members; and
- ii) which are not undertaken in pursuance of normal course of business of the Company.

4.2 The time period for implementation of the programme will depend on its nature, extent of coverage and the intended impact of the programme.

4.3 The Company will identify CSR activities projects and provide funds on requirement basis.

4.4 Powers for approval

- a) The CSR Committee shall have the powers for execution and implementation of the programmes under CSR Policy. The powers shall also include powers for meeting any requirements arising out of immediate and urgent situations.

5. Monitoring and Feedback

5.1 The CSR Committee will monitor all CSR projects / programmes. Broadly, the following procedure will be adopted by the CSR Committee:

- Specific projects with locations, budgets and time schedules shall be recommended by the CSR Committee in the beginning of every financial year to the Board for their approval.
- The CSR Committee would meet on quarterly basis to take note of initiated CSR activities and funds utilization and to compare with budgeted funds and time lines. The minutes of the meetings of the CSR Committee will be placed before the Board.

5.2 An outside Assessing and Rating Agency may be appointed to assess and rate the implementation agencies/NGOs and to conduct due diligence on effectiveness of implementing agencies before appointment of any implementing agency/NGO who will seek to partner with the Company to execute CSR activities. The rating agency shall also monitor the funds disbursed towards CSR projects /programmes.

5.3 The Rating Agency will conduct impact studies on a periodic basis.

6. Board Responsibility

The Board of Directors of the Company shall ensure that:

- CSR activities, as per clause 3 of this Policy, are undertaken by the Company;
- the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this Policy.
- the reasons for not spending the above amount are explained in the Board's Report, if the Company fails to spend such amount.

7. Review and Amendment

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the provisions of the Companies Act, 2013 and rules framed thereunder and amendments thereto.

8. Disclosure / Reporting

The CSR Policy will be displayed on the Company's website i.e. [www.isecindia .com](http://www.isecindia.com).

An annual report on CSR containing the particulars as prescribed under the CSR Rules shall form part of the Board's Report of the Company.