

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

WHAT IS CSR?

Meaning of CSR: To put it in most simplified language, CSR means responsibility of a company towards the society at large by doing activities that benefit the society at large. Elaborately speaking, it is nothing but an activity by the company to pay the society in the same coin by doing good deeds for the benefit of human being. Companies are using the resources from the society like monetary resources, human resources, natural resources and as a principle of give and take it is moral responsibility of the companies to undertake such activities that will benefit the mass of the population.

EXAMPLE:

Pepsico is manufacturing packaged drinking water named Aquafina and using the water, a scarce natural resource of India. Now the usage of water by these packaged drinking water manufacturers is fastly depleting the underground water level and reducing the scarce natural resource source of potable drinking water. Realizing this fact, it has initiated positive water balance move and decided to pay the nature in same coin by giving it back the resources it has utilized by means of water preservation technique and by doing so, it has through rain water harvesting, community water sheds and water conservation in agriculture, it has saved 836 million litres of water in 2009.

Many companies are having special departments for CSR activities and apportion special funds to be spend on various social activities in a specific year. Such companies are spending huge amount under their CSR activities and thereby showing their dedication and commitment towards society.

Indian Companies till March 2014 under the old statute of Companies Act, 1956, have been undertaking such CSR activities voluntarily and there is no legal compulsion to spend the money on CSR until the advent of Companies Act, 2013 wherein it has been made mandatory for specified companies to spend money of CSR activities.

APPLICABILITY:

Section 135 of the Companies Act, 2013 has for the first time in India, made it compulsory for some specified companies to spend money on various CSR activities. As per section 135(1) of the Companies Act, 2013, following are the companies that are required to spend mandatorily on CSR activities.

WHO ARE REQUIRED TO SPEND?

- 1. Companies having networth of Rs 500 crores or more.*
 - 2. Companies having turnover of Rs 1000 crores or more*
 - 3. Companies having net profits of Rs 5 crores or more.*
- in the immediately preceding financial year.*

APPLICABILITY OF CSR ON DWARIKESH.

At Dwarikesh, we don't believe in any legal mandate to undertake CSR activities. Even before the advent of section 135 of Companies Act, 2013, the company has been consistently doing CSR activities at various places in Uttar Pradesh & Rajasthan.

In terms of section 135 of the Companies Act, 2013, at present CSR is not mandatory for company since it is out of the purview of above three parameters of networth, turnover, and net profits. But the company is soon going to cross the turnover of Rs 1000 crores by the end of September 2014 / March 2015 and at that juncture, the CSR shall be applicable to the company.

It is worth noting that regardless of triggering of any one of the above limits, the company shall remain committed towards its CSR activities and spending.

COMPANIES (CSR) RULES, 2014.

As stated in above paragraph, the CSR activities are not mandatory for the company, nothing can be stated at this juncture regarding Rule 6 (1) (a) and (b) of Companies (CSR) Rules, 2014 on the projects/ programmes to be undertaken by the company, modalities of its execution and monitoring of the same.

CSR COMMITTEE OF BOARD OF DIRECTORS:

The following are the members of CSR Committee formed by the company pursuant to section 135(1) of the Companies Act, 2013 read with Rule 3 and 5 of Companies (CSR) Rules, 2014.

Sr. No.	Name of Director	Designation in CSR Committee
1	Mr B K Agarwal	Chairman
2	Mr G R Morarka	Member
3	Mr Vijay S Banka	Member
4	Mr B J Maheshwari	Member

HOW MUCH TO SPEND?

As per section 135(5) of the Companies Act, 2013, the companies as stated above are required to spend in every financial year, atleast 2 per cent of the average net profits of the company made during the three immediately preceding financial years as per the CSR policy of the company. The computation of average net profits shall be done as per the provisions of section 198 of the Companies Act, 2013.

WHERE TO SPEND?

The act provides that the company while spending the money for CSR should give preference to the local areas around which the company is having its operations for spending the money earmarked for CSR activities.

Besides the focus on area of operations of the company to spend money of CSR, Schedule VII of the Companies Act, 2013 provides for the following.

ACTIVITIES WHICH MAY BE INCLUDED BY COMPANIES IN THEIR CSR POLICIES.

Activities relating to.....

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;*
- (ii) promoting education, including special education and employment enhancing vocational 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 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].*
- (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;*
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports*
- (viii) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;*
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.*
- (x) rural development projects]*
- (xi) slum area development.*

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

DWARIKESH AND CSR:

At Dwarikesh, CSR is in the genes of the promoters since they are from the soil of Jhunjunu which has given many persons who have done remarkable work in the sphere of CSR making it as a hub of their CSR activities. Shri G R Morarka, is a benevolent and philanthropic person. since he is son of soil of Jhunjunu of Rajasthan a remarkable place which is interestingly a hub for CSR activities of many industrialist such as the Piramals ,Pasari, the Birlas, the Morarkas and many other industrialist are from this purest land. These industrialists have done ineffable work in the arena of public cause by doing many activities in the sphere of education, health, charitable activities. This divine soil has awarded the country with many Industrialists who contributed immensely for the good cause. He has been saluted with many awards and prizes for the CSR activities undertaken by him not only in the region of his home town but also at plant locations.

THE COMMUNITY INTEREST:

It has been his vision to empower the community through socio-economic development of under privileged and weaker sections. Through the company, he has intensified its efforts in this direction. Most of the company's social activities are linked to rural masses. Education is a prerogative of every child in India, recognising this fact, and in absence of good educational institute in country side area, company has been instrumental in establishing a school named R R Morarka Public School in the vicinity of Bundki in Bijnor at Uttar Pradesh (UP) ; Shree Radheshyam R Morarka Rajkiya Mahavidhyalaya, District Jhunjhunu in Rajasthan and established Narbada Devi Medical Centre for the employees of Dwarikesh Sugar Industries Ltd. it has also undertaken some charitable activities running in the name of Sewajyoti.

DSIL POLICY ON CSR:

Dwarikesh Sugar Industries Ltd. shall focus on its CSR spending on the activities enlisted above as stated in Schedule VII of the Companies Act, 2013. While the Companies Act, 2013 asserts on giving preference to the local areas around which the company is having its operations for spending the money earmarked for CSR activities. Although the company undertakes many activities in its area of operation viz. Bijnor in state of U.P, besides Bijnor, the company would also undertake various CSR activities in Jhunjhunu of Rajasthan and surrounded area.