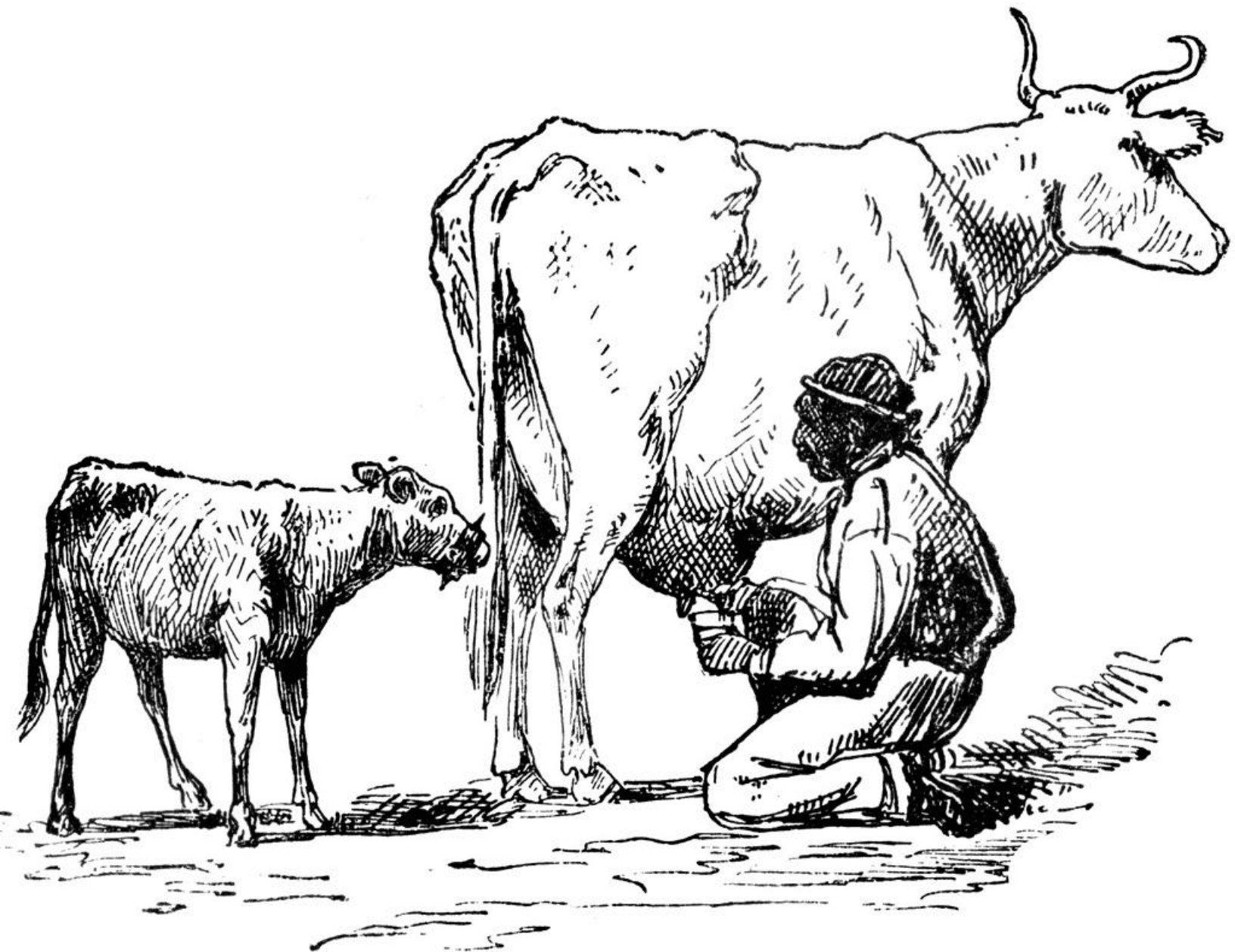




DODLA DAIRY LIMITED

CORPORATE SOCIAL RESPONSIBILITY



1) Definition and applicability

This policy speaks about Dodla Dairy's intent to support to the rural community through various developmental programmes, called Dodla CSR policy. This policy shall apply at all major mandals and towns of Chittoor & Nellore Dist of Andhra Pradesh initially. This may be extended to the other parts of the Country in the near future for the benefit of society at large.

2) Vision & Objectives

The main objective of Dodla CSR policy is giving back to the rural society which has helped its business growth and sustenance so far. The area of community development includes Malnutrition & Eradicating hunger, Animal health, Drinking water, Rural Infrastructure facilities, Rural Education/promoting gender equality among rural mass.



3) Implementation Stakeholders

Dodla CSR shall extend its services through its sub-committee for fulfillment of its role as a socially responsible corporate. The sub-committee shall initially work in the areas of Chittoor & Nellore districts on various social welfare programmes and take active part to resolve the issues. Also, the employees of Dodla Dairy are encouraged to participate and involve in the welfare programmes when the said CSR activities are happening near to their operational locations / units.

4) Scope of the Activities

- i. Eradicating hunger, Poverty, malnutrition, promoting healthcare and sanitation. (Schedule VII sec (i) & General Circular No: 21/2014 Sr. No: 10).
- ii. Water Supply including drinking water. (Schedule VII sec (i))
- iii. Infrastructure for Village Electricity/Solar Lights/Road etc. (As per General Circular No: 21/2014, Sr. No: 16).
- iv. Promoting education in rural farming community including special education and employment enhancing vocational skills especially among children, women & elders by the company directly or by funding Non-Government Organizations (NGO's) / Educational Institutions / Trusts / Organizations involved in Promotion of Education. (As per Schedule VII, sec (ii) of the CSR Rules -2014 and General Circular No: 21/2014, Sr. No: 3).
- v. Promoting gender equality empowering women, establishing of old-age homes, day care centers and such other facilities for senior citizens for reducing inequalities in socially and economically backward groups. (As per Schedule VII, sec (iii) of the CSR Rules -2014).

The above list is illustrative and not exhaustive. The CSR committee of Board of Directors is authorized to consider other CSR activities which are not included in this list. The activities will be specific to the village depending on



the need assessed for the local people. All CSR activities shall be environment friendly and socially acceptable to the local people.

5) Fund Allocation

For achieving the CSR objectives through implementation of meaningful and sustainable CSR programmes, Dodla shall allocate not less than 2% of its average Net Profit calculated as per Sec-198 of the Companies Act, 2013, as its Annual CSR Budget in each Financial Year.

From the annual CSR Budget allocation, a provision will be made towards the expenditure to be incurred on identified Areas, for undertaking CSR activities on a year on year basis. Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act 2014 and rules made thereof as amended from time to time. Any unspent/unutilized CSR allocation of a particular year, will be carried forward to the next year, i.e., the CSR budget will be non-lapsable in nature.

6) Implementation

CSR programmes shall be undertaken by various units of Dodla to the best possible extent within the defined ambit of the identified "Thrust Areas". Project activities identified under CSR are to be implemented by specialized agencies, which could include (Sri Dodla Subba Reddy Private Charities Trust or new trust), Voluntary Organizations (NGO's), Recognized Institutes/Academic Institutions, Trusts, Self Help Groups, Mahila Mandals, Professional Consultancies etc.

The time period over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the given programme.

Programmes which involve considerable financial commitment and are undertaken on a timeframe of 2-10 years, will be considered as 'flagship programmes' and will be given special attention.



For CSR projects, the time-frame and periodic milestones should be finalized at the time of approval of the Project.

7) Implementation process :-

i) Identification of programmes at Corporate and Unit level will be done as per the following procedure:-

- (a) Need identification studies by a sub-Committee constituted by the CSR Committee of the Company on a broader level.
- (b) Internal need assessment by a team at the unit level.
- (c) Receipt of proposals/requests from Units.
- (d) Requisitions from the Citizen's/Village forums for various needs.

ii. **Project based approach:** Dodla units will follow a project based accountability approach for a long term sustainability of CSR projects. It's plans will be distinguished as 'Short-term', 'Medium-term' & 'Long-term' programmes.

- a) Short Term – 6 months to 1 year
- b) Medium Term – 1 year to 2 years
- c) Long Term – 2 years and above

iii. While identifying Long term programmes, all efforts will be made to the extent possible to define the following:

- a. Programme objectives
- b. Metrics of measurement – Give the basis on which the outcome of the programme would be measured.
- c. Implementation schedule-Timelines for milestones of the programme will be prescribed.
- d. Responsibilities and authorities of the team members (R & A Matrix).



8) Approval process

CSR programmes as identified by unit/corporate office will be required to be put up to the CSR Committee of the Board along with recommendations of the CSR Sub-Committee.

9) Executing Agencies /Partners:

After identifying suitable programmes/ projects, implementation would be done through the following agencies:

- i) The Company at its unit level
- ii) Sri Dodla Subba Reddy Private Charities Trust/New Trust.
- iii) Community based organizations.
- iv) Voluntary Agencies (NGOs)
- v) Trusts/ Missions/ Foundations Etc

10) Criteria for identifying Executing agency:

In case of programme execution by NGO/Voluntary organization/Trust as mentioned under Sec-8 Company Act 2013, the amount to be spent by the agencies to build the CSR administrative expenses shall not exceed 5% of the total CSR expenditure of the Company in one financial year and the following minimum criteria need to be ensured:-

- ✓ Any NGO / Agency/Trust/ Company registered under Sec-8 of Companies Act,2013 has a permanent office / address in India;
- ✓ Any NGO/Trust/ Corporation/ Companies/Societies registered under Societies Registration Act/ Trust Act/ Sec-8 of the Companies Act, 2013.
- ✓ Should possess a valid Income-tax Exemption Certificate.
- ✓ The antecedents of the NGO/Agency/Trust/ Companies registered under Sec-8 of Company Act, 2013 are verifiable /subject to confirmation.
- ✓ 3 years of experience in executing the projects in rural areas is mandatory for undertaking the work.



11) Agreement between Dodla & Executing Agency:

Once the programmes are approved by the CSR Committee it will be communicated to the units and they in turn will be required to enter into an agreement with each of the executing/implementing agency as per the Standard Model Agreement.

12) Monitoring and Feedback

To ensure effective implementation of the CSR programmes undertaken at each unit, a monitoring mechanism will be put in place by the corporate using internal team (Regional Offices). The progress of CSR programmes under implementation at unit level will be reported to CSR Sub-Committee on a monthly basis. The CSR Committee of Board of Directors shall review the progress of activities on quarterly basis.

CSR Committee will conduct impact studies on a periodic basis, through independent professionals, third parties/ professional institutions, especially on the strategic and high value programmes. Units and regional offices will obtain feedback from beneficiaries about the programmes on quarterly basis. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

13) Conclusion

In case of any query / suggestions with regard to any provision(s) of the policy, a reference can be made to CSR Committee of Board of Directors. In all such matters, the interpretation & decision of the CSR committee of the Board of Directors shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Central Government, from time to time.

The Board will review the policy from time to time based on changing needs and aspirations the beneficiaries and make suitable modifications, as may be necessary.

