

CORPORATE SOCIAL RESPONSIBILITY POLICY

DEVYANI INTERNATIONAL LIMITED

The Board of Directors of Devyani International Limited (“the Company”) constituted the “Corporate Social Responsibility Committee” at their Meeting held on 18th Day of March, 2015 with immediate effect, consisting of three (3) Directors of which one is an Independent Director.

1. OBJECTIVE

The Corporate Social Responsibility (CSR) Committee and this Policy shall be in compliance with Section 135 of the Companies Act, 2013 and the Rules / Circulars made / issued thereunder. The Key Objectives of the Committee would be to:

- i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities (CSR activities) to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
- ii. recommend the amount of expenditure to be incurred on the CSR activities; and
- iii. monitor the Corporate Social Responsibility Policy of the company from time to time.

2. DEFINITIONS

2.1 “Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

2.2 “Board” means Board of Directors of the Company.

2.3 “Committee / CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

2.4 “CSR Activities” means and includes but is not limited to :-

- (i) Projects or programs relating to activities specified in Schedule VII to the Act;
- (ii) Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per this Policy.

2.5 “Net Profit” means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following:

- (i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act

2.6 “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.

3. AMOUNT OF EXPENDITURE ON CSR ACTIVITIES

In every financial year, the Company shall spend at least two per cent of the average net profits of the company (as calculated under section 198 of the Act) made during the three immediately preceding financial years, in pursuance of this Policy. The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. If the company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount.

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 its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act. Contribution to Corpus of a Trust/ society/ section 8 companies etc. will qualify as CSR expenditure as long as (a) the Trust/ society/ section 8 companies etc. is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in the CSR Activities mentioned below.

4. PROJECTS / CSR ACTIVITIES TO BE UNDERTAKEN BY THE COMPANY

- 4.1 eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- 4.2 promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 4.3 promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 4.4 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 including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- 4.5 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 arts and handicrafts;
- 4.6 measures for the benefit of armed forces veterans, war widows and their dependents;
- 4.7 training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- 4.8 contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- 4.9 contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- 4.10 rural development projects.
- 4.11 slum area development.
- 4.12 any other activity as may be notified by the Central Government.

5. COMPLIANCE, MONITORING AND REPORTING

- 5.1 It will be the responsibility of the Board to ensure that the CSR activity as prescribed in this Policy are undertaken by the Company.
- 5.2 The Company may undertake the CSR activities, as recommended by its CSR Committee and approved by its Board of Directors, through a registered trust or a registered society or a company established under section 8 of the Companies Act, 2013 by the company, either singly or along

with its holding or subsidiary or associate company of such other company, or otherwise. However, if such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects. If the company has specified the project or programs to be undertaken through these entities, the Company shall provide for modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

- 5.3 The company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committee of the Company is in a position to report separately on such projects or programs.
- 5.4 The CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
- 5.5 The Company may build CSR capacities of their own personnel as well as those of their Implementing Agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads, shall not exceed five percent of total CSR expenditure of the Company in one financial year.
- 5.6 The following shall not be considered as CSR activities
- a. the CSR Projects or programs or activities that benefit the employees of the Company and their families
 - b. Contribution of any amount directly or indirectly to any political party
 - c. Activities undertaken in pursuance of normal course of business of the Company
 - d. Activities undertaken outside India
 - e. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc.
 - f. Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.)
- 5.7 The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company.
- 5.8 The CSR Committee of the Company shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.
- 5.9 The Compliance with this policy / CSR activities / projects will be continuously monitored by the CSR Committee and the Policy is subject to review by the Board of Directors of the Company, supported by the CSR Committee, and the compliance will be reported to the stakeholders through the Board of Directors' Report.

6. COMMUNICATION

The Board of Directors shall disclose the composition of the CSR Committee as well as the contents of the CSR Policy in its report and shall publish the Policy on the website of the Company, if any.

7. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.