

# Policy of Corporate Social Responsibility

OF

Prabhat Dairy Limited

# Prabhat conceives CSR as ....

- A well thought **mission for inclusive growth**, that contributes to well being and **sustainability** of its surroundings
  - local community, particularly small and marginal farmers, women and youth
  - local environment, and natural resources like water, soil, vegetation and livestock
- Protecting **long term interests** of both the company and its key stakeholders
- A **focused response** to socio-economic and environmental **issues raised by business operations**



# Prabhat's CSR builds upon its ethos

- Prabhat's Motto: *"Health & Happiness for all"*
- Prabhat's Vision: *"To be a highly respectable and leading milk company that is committed to thoughtful & sustainable socio-economic development"*
- Prabhat Quality Mission: aims transformation in dairy business
- Prabhat's track record / extension services

And now Prabhat 's compliance with CSR Rules 2013, Sec 135 of Companies Act

- disclose CSR policy after BoD approval
- constitute a CSR Committee at Board Level
- employ CSR team of development professionals
- implement projects in partnership with NGOs and Govt
- establish a transparent monitoring mechanism for tracking CSR
- allocate and use 2% of the avg net profits of last three years for CSR
- report outcomes and impacts on a regular basis

# Prabhat's CSR Policy

*Prabhat upholds Corporate Social Responsibility as a high priority mission.*

*Prabhat will integrate sustainability perspective across all its business policies and operations.*

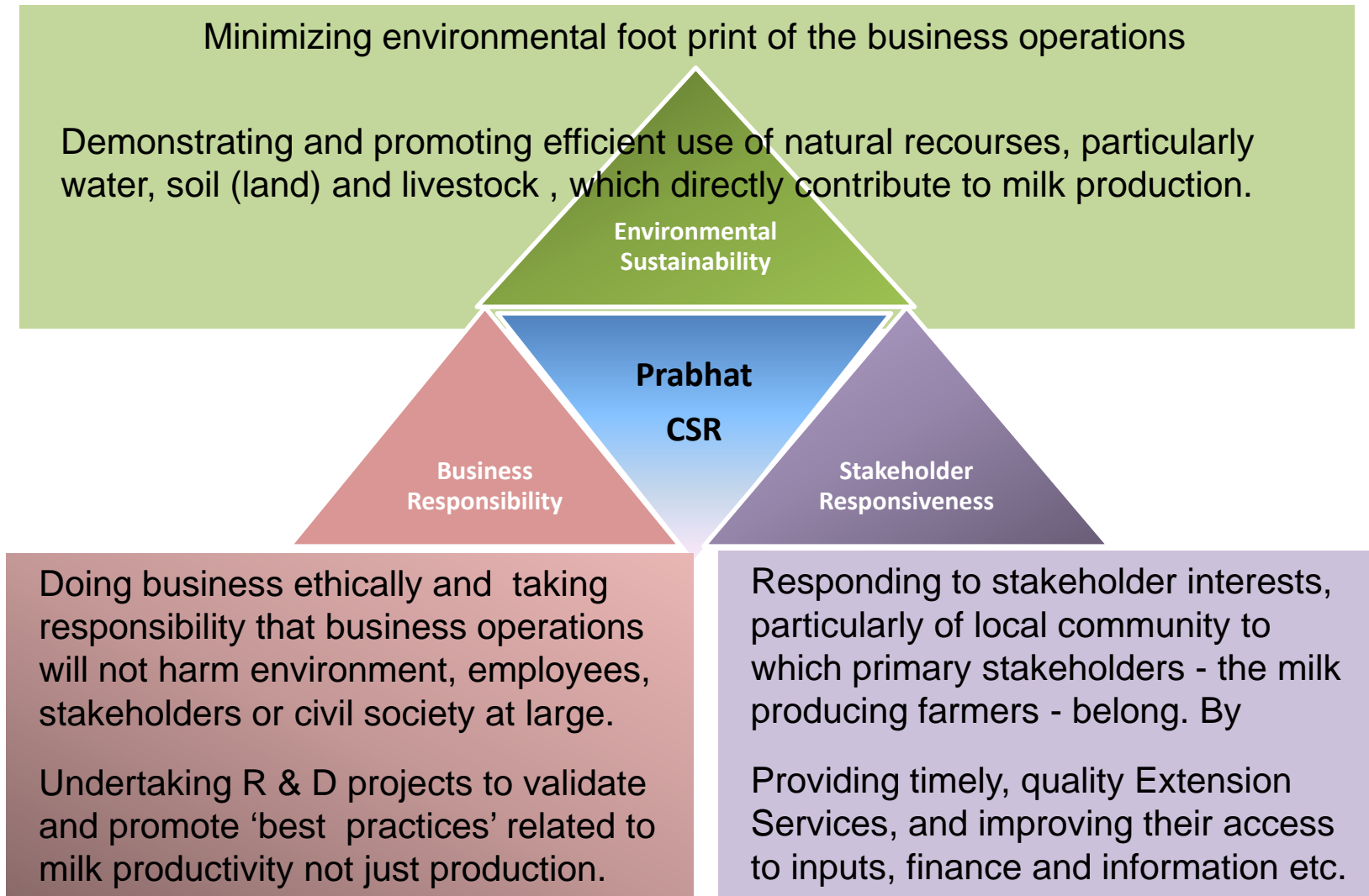
*Prabhat is committed to well being of local communities and environmental sustainability, and understands that business sustenance is possible only with Inclusive Growth.*

*Prabhat's CSR operations will focus on improvements in agro based livelihoods of local communities – as they are the primary stakeholders .*

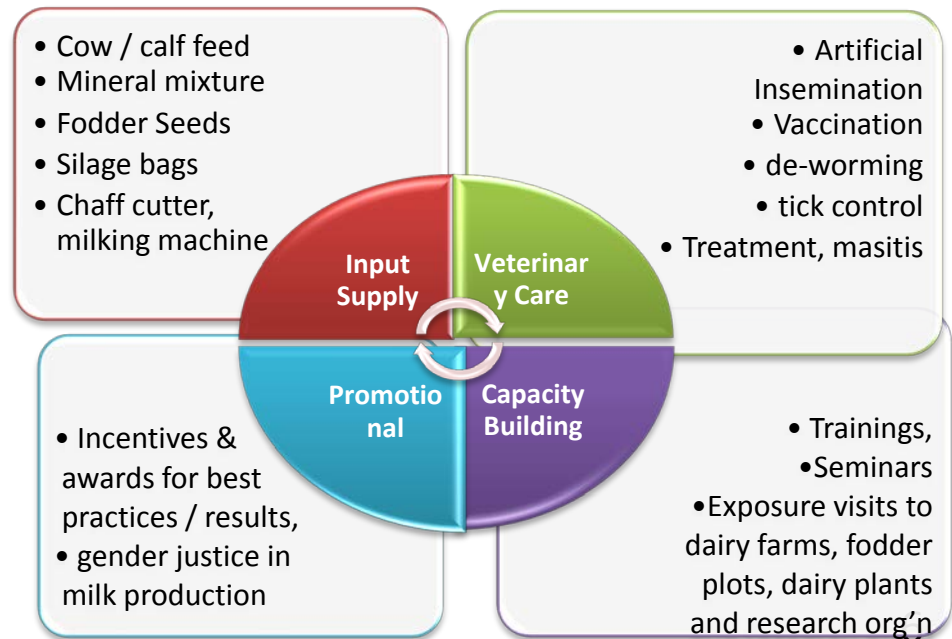
*Prabhat will implement development initiatives in partnership with NGOs, Govt , education / research institutions and any other civil society organizations*

*Prabhat will spare a part of its profit for CSR, and make public disclosures of CSR outcomes .*

# Prabhat's CSR Framework



# Responding to Key stakeholders



# Prabhat's CSR Goals & Programs

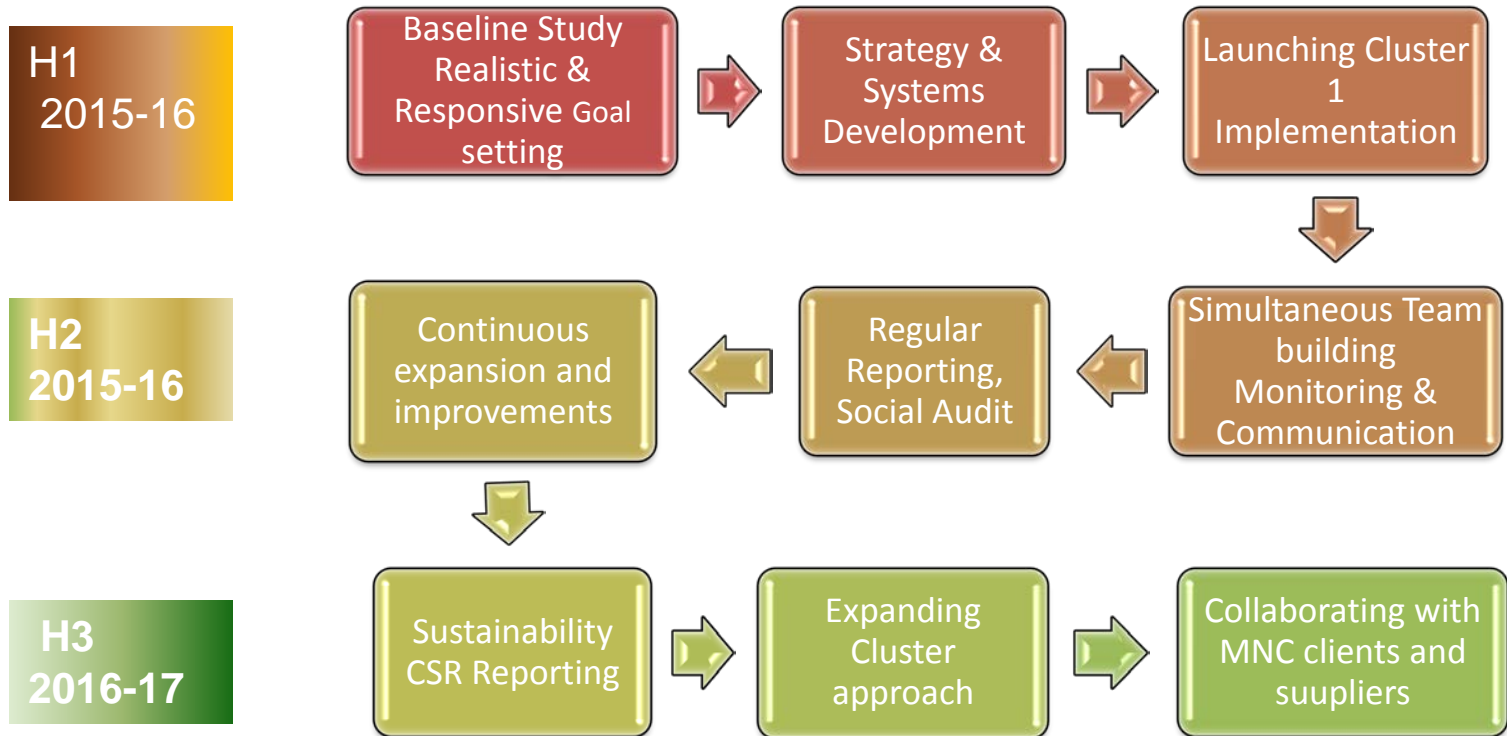
CSR Goal	Internal interventions	External Interventions
<p><b>Business Responsibility</b> Integrating sustainability perspective across all business operations and policies</p>	<ol style="list-style-type: none"> <li>1. Revising Business policies and practices</li> <li>2. PDQM</li> <li>3. Employee orientations</li> </ol>	<ol style="list-style-type: none"> <li>1. R &amp; D Projects to validate best practices for sustainable and improved milk production</li> </ol>
<p><b>Stakeholder Responsiveness</b> Ensuring that interests of community as primary stakeholder are responded to</p>	<ol style="list-style-type: none"> <li>3. Stakeholder Satisfaction Survey and disclosures</li> </ol>	<ol style="list-style-type: none"> <li>2. Veterinary Services</li> <li>3. Extension Services: Inputs, capacity building, promotions</li> <li>4. Microfinance and financial management</li> </ol>
<p><b>Sustainability/</b> promoting sustainable as well as just and fair use of natural resources</p>	<ol style="list-style-type: none"> <li>4. Life cycle analysis and 3Rs – to reduce carbon foot print</li> </ol>	<ol style="list-style-type: none"> <li>5. Water Use Management</li> <li>6. Land Use management Fodder / crop development</li> </ol>

# CSR Implementation approach

- **Participatory & empowering approach:** ensuring choice and contribution of all stakeholders involved
- **Cluster** development approach – synergizing need based activities in a cluster of villages
- **Livelihoods** approach – start with milk production gradually take holistic farming systems approach
- Build in **Sustainability** approach , : in all activities
  - Social – how it will be socially acceptable
  - Financial – how it will be economically viable/ user fees
  - Environmental – how it will be eco friendly /not extractive
  - Managerial – how it will be carried forward beyond Prabhat
- **Collaborative** approach engaging / working with Govt schemes, credit from banks, client MNCs and local community



# CSR Implementation process/ steps



- Start with external interventions and gradually include internal interventions
- First year CSR will be primarily Cluster Development

# Pilot Cluster: CSR Programs & Outreach

External Interventions	Units	Expected Outreach Cumulative	
		Year 1	Year 2
1. R & D Projects : RDF/ TMR/ loose Housing	Families	50	100
2. Veterinary services	Animals	10000	20000
3. Extension Services	Families	2500	6000
4. Microfinance & fin. mgmt	Families	100	500
5. Water storage & use Mgmt	Lakh Litters	2700	5000
6. Land Use management Fodder / crop development	Hac	500	2000

*One Cluster will be approximately 20 to 25 villages*

- *10000 families/ HHs*
- *50000 livestock*
- *5000 hac land under cultivation*

# Pilot Cluster: CSR Programs Budget

Intervention	Unit	No of Units	Prabhat		Farmers		Total
			Unit Cost	Budget	Avg Unit Cost	Expenses	CSR
1. R & D	Fam	50	10000	500000	120000	6000000	6500000
2. Vet services	Animals	10000	25	250000	60	600000	850000
3. Extention Services	Fam	2500	400	1000000	10000	25000000	26000000
5. Micro-finance	Fam	100	500	50000	500000	50000000	50050000
6. Water Management	Lakh Litter	2700	1000	2700000	500	1350000	4050000
7. Land /fodder crops mgmt	Hac	500	1000	500000	5000	2500000	3000000
<b>Program cost</b>				<b>5000000</b>		<b>85450000</b>	<b>90450000</b>

# Prabhat CSR Budget 2015-16 (1)

Account Head	Type	Per month	Annual Budget	%	Remarks
Program cost	Recurring		5000000	42	Cluster Development
Materials and equipments	Capital Costs		1770000	15	Extension Van, Laptops, mobiles handsets, projector etc
Communications	Lumsum		300000	3	GIS, printing, website etc
Personnel Costs	Recurring	370000	4440000	37	5 full timers and 10 consulting days per month
Operating Cost	Recurring	30000	360000	3	Travel, Fuel, repairs, elecricity, stationary, phone etc.
Misc	Recurring	5000	60000	1	Incidentals
<b>Total CSR Budget</b>			<b>11930000</b>	<b>100</b>	

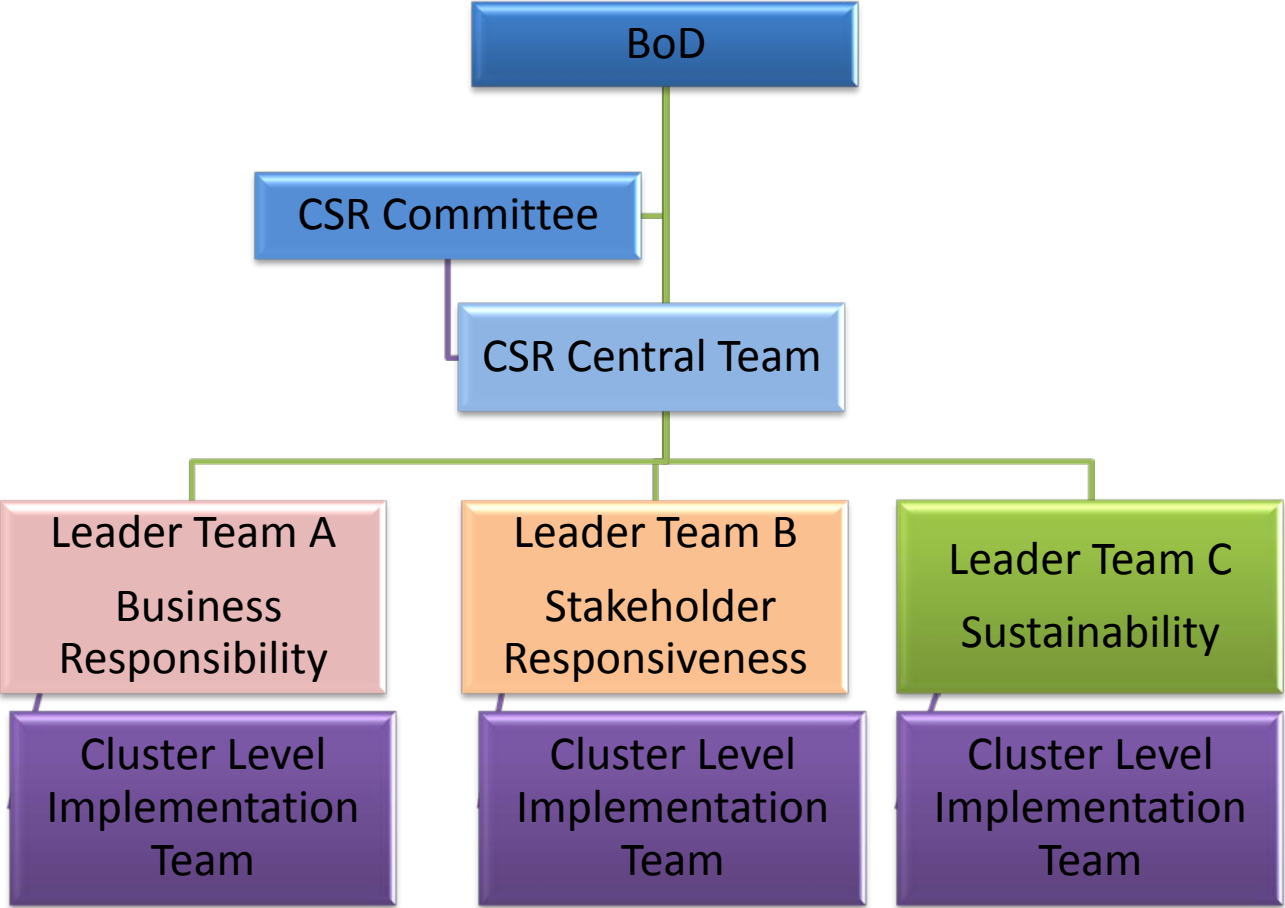
## Prabhat CSR Budget 2016-17 (2)

Account Head	Type	Per month	Annual Budget	%	Remarks
Program cost	Recurring		2500000	41	Cluster Development
Materials and equipments	Capital Costs		170000	3	Motorbikes, Laptops, projector, other office furniture
Communications	Lumsum		200000	3	
Personnel Costs	Recurring	250000	3000000	49	4 full timers and 10 consulting days per month
Operating Cost	Recurring	20500	246000	4	Fuel, repairs, elecricity, stationary, telephone bils, vehicle rentals etc.
Misc	Recurring	2500	30000	0	Incidentals
<b>Total CSR Budget</b>			<b>6146000</b>	<b>100</b>	

# Expected CSR Outcomes ( Cluster)

- 30% families (750 ) adopting at least one new recommended practice
- At least 5 model farmers in each village
- 10% more milk pourers for Prabhat
- 20% increase in milk yield per milch animal
- 1000 cross bred calves born
- 20% increase in repayment rate
- >70% score to CSR in Stakeholder Satisfaction Survey
- At least one Community Based Organization (SHG/ Water User Group / Producer Organization) in each village
- Besides increased brand value / visibility

# CSR Structure



Multi Stake Holder M & E TEAM

Prabhat Milk Collection Center

Milk Producer Organizations

Community Farmer Families

# CSR Monitoring and Reporting

Frequency	Report from	Report to	Content
Monthly	Implementing partner	CSR team	Target Vs achievement
Quarterly	CSR team	Prabhat mgmt/ Committee	CSR outcomes
	Monitoring Team	CSR Committee	Outreach and Effectiveness of CSR
Six monthly	CSR team	Prabhat mgmt/ Committee	Mid term review and any changes in Plan and Budget
	Third Party	CSR Committee	Stakeholder Satisfaction Survey
Annual	CSR team via CSR Committee	All stakeholders, civil society at large	All disclosures and achievements



# Social Audit by Multi Stakeholder Team

1. Dr. Madhukar Tukaram Nirmal (Veterinary Doctor / Entrepreneur)
2. Bhausahab Sukhdev Aher (Farmer)
3. Adv. P.R. Jagdhane ( Lawyer)
4. Pradeep Aher (Press Reporter)
5. Ambadas Bhau Dhokchaule (Director Co-operative market committee)
6. Dhananjay Jagtap
7. Mrs. Savita Satish Jamdar ( Social worker)
8. Govind J. Khairnar (Serviceman)
9. Mahesh A. Thorat (Farmer)
10. Dr. Sumant Dixit (General physician)

# Prabhat CSR : Budget & Returns

- Rs 2 lakhs investment per village: for 25 villages
- Rs. 2000 support per family: 2500 families benefitting
- Rs. 8.58 Crores leveraged from framers Contribution
- Rs. >9.00 Crores worth development interventions
- Rs. 4.00 Crores value of tangible CSR Outcomes, besides intangible worth of brand enhancements
- Input : Output Ration : 1: 4

@ Only

- Rs. 1.20 Crores CSR Budget, i.e
- .05 ps per liter (@ 6 lakhs liters for 365 days)