

ANAND PROJECTS LIMITED

(Formerly Known as The Anand Electric Supply Company Limited)

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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1. INTRODUCTION

This policy comprises a set of rules adopted by the Board of Directors of Anand Projects Limited (“the Company” or “the APL”) which applies throughout the Company to all directors, officers and employees. These rules set the standards for the way we interact with society at large and the environment around us. They may be supplemented from time to time by additional policy statements and guidelines.

This policy clearly sets forth the Company’s social responsibility objectives and provides guidance on implementation of the policies set forth.

2. APPLICABILITY AND EFFECTIVE DATE

This Policy provides the framework for CSR Programme of Anand Projects Limited.

This policy shall apply to all CSR initiatives and activities taken up by the Company at the various offices and other locations of the Company, for the benefit of different segments of the society, especially the deprived, under privileged and differently abled persons. This policy shall be effective from February 12, 2015.

3. BACKGROUND OF THE POLICY

The Corporate Social Responsibility Policy is formulated in compliance with the applicable provisions of the Companies Act 2013 and the rules made thereunder.

Section 135 of the Companies Act 2013 and rules made thereunder, enumerate the constitution of the Corporate Social Responsibility (CSR) Committee and implementation of the CSR policy.

4. VISION STATEMENT & OBJECTIVE

EPC Contractor in India has an important role to play for the socio-economic development of rural population and will promote continuous improvement in every aspect of our business and will deliver top quality products and services to the market more quickly and efficiently than our competitors and that of the Country. It is one of the prime support providers essential for rapid growth of the national economy.

As part of socially responsible company, APL has and continues to adopt policies, and business strategies to effectively integrate emerging environmental, social and economic considerations. Whether it’s through conserving resources, recycling, or finding innovative solutions to environmental and social challenges, APL is committed to being a respectful, responsible and positive influence on the environment and the society in which we operate. Efficient resources management, infrastructure sharing, etc. are some of the inbuilt practices in our day-to- day business operations, to ensure a clean and green environment.

This policy outlines the Company’s social and moral responsibilities to consumers, employees, shareholders, society and local community and lays down guidelines and mechanism for carrying out programmes, projects and activities that actively assist in overall improvement in the quality of life of local community residing in the vicinity of its plants and society at large as also making them self-reliant, safeguarding of health, preservation of ecological balance and protection of environment.

The primary objectives of this Policy are: -

1. To ensure an increased commitment at all levels in the Company, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
2. To directly or indirectly take up programmes that benefit the communities in and around its work centres and results, over a period of time, in enhancing the quality of life & economic well-being of the local population.
3. To generate, through its CSR initiatives, a community goodwill for APL and help reinforce a positive & socially responsible image of APL as a corporate entity.

5. DEFINITIONS

1. **“Board of Director”** or **“Board”** means the Board of Directors of Anand Projects Limited, as constituted from time to time.
2. **“Company”** means Company incorporated under the Companies Act, 2013 or under any previous Company Law.
3. **“CSR Committee”** means Corporate Social Responsibility Committee constituted by the Board of Directors of the Company, from time to time, under provisions of the Companies Act, 2013.
4. **“Independent Director”** means a director of the Company, not being a Whole Time Director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the listing agreement with the Stock Exchanges.

6. FOCUS AREA/ SCOPE OF CSR ACTIVITIES

a) Identification of Focus Areas And Strategic Initiatives:

APL will undertake CSR projects related to the list of activities prescribed under Schedule VII of the Companies, Act, 2013 as amended from time to time:

- 1) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- 2) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- 3) 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.

- 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.
- 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.
- 6) Measures for the benefit of armed forces veterans, war widows and their dependents.
- 7) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- 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.
- 9) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- 10) Rural development projects.

The below activities doesn't include under the CSR activities of the Company.

1. Business run in the normal course.
2. Outside the territory of the India or abroad.
3. For the welfare of the employees and their families.
4. Political party contribution of any amount directly and indirectly as defined u/s 182 of the Act.

b) Undertaking CSR Activities

CSR activities will be undertaken by all plants and office locations of the Company to the best possible extent within the defined ambit of the identified "Focus/ Thrust Area" as approved by the CSR Committee, either directly or through such other entity/ trust approved by the CSR Committee.

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

By and large, it may be ensured that the CSR activities are undertaken in and around the areas of its business operations.

Project activities identified under CSR are to be implemented by specialized agencies, which could include - Voluntary organizations (VOs), NGOs, formal

or informal Elected local bodies such as Panchayats, Institutes/Academic Institutions, Trusts, Self Help Groups, Govt/semi Govt./Autonomous organizations, Mahila Mandals, Professional Consultancy organization etc.

c) Funding & Allocation:

APL shall spend in every financial year at least 2% of the average net profits [as calculated under Companies (CSR Policy) rules, 2014] of the previous three years for CSR activities. If APL fails to spend such amount, then Board shall in its report specify the reasons for not spending the same. Any surplus amount out of the CSR project or programs or activities shall not form part of the business profit of a Company.

From the Annual CSR Budget allocation, a provision will be made towards the following expenditure heads, on a year on year basis:

- i) Contribution towards corpus of Trusts
 1. APL may allocate such sum of money as contribution towards the corpus of Jan Kalyan Charitable Trust (“JKCT”) carrying out developmental work, as decided by the Board from time to time.
- ii) Contribution towards Natural Calamities or Disasters
 1. APL may allocate such sum as decided by the Board towards its CSR budget each year that will be used for rendering/ contributing in the event of natural calamities or disasters affecting the communities in India in general and in and around the areas where APL has its operations in particular.
 2. Any unutilized amount under the annual allocation against this head will be carried forward to the next year, exclusively for this purpose, upto a maximum accumulation of Rs.25,00,000/- or such higher amount as may be decided by the Board/CSR Committee.
 3. Expenditure for extending immediate relief in cases of natural calamities can be approved by Whole Time Director and CFO up to a ceiling of Rs. 10,00,000/- or such higher amount as may be decided by the Board/CSR Committee.

From the annual CSR Budget allocation, APL may also incur expenditure on the identified areas mentioned in Schedule VII of the Companies Act 2013.

d) Implementation

- i) The Board of Directors of APL will ensure that:
 1. The activities as are included in APL CSR Policy are undertaken by the Company;

2. APL spends in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years or such other amount as may be specified by the Government.
- ii) The various offices and other locations of the Company shall implement the CSR programmes as under:
1. Identify CSR Projects / Programme to be taken up in a financial year giving preference to the local areas around factories / offices;
 2. The proposal for CSR activities, as identified by the respective offices and other locations, will be evaluated by the CSR Committee;
 3. The CSR Committee will recommend the proposal to the Board of Directors together with the quantum of the CSR expenditure to be incurred for a financial year;
 4. Board of Directors of APL, after taking in to account the recommendation made by the CSR Committee, will approve the proposal and the expenditure for CSR programme for a financial year;
 5. The proposal may be implemented directly (through the help of employees or direct contribution) or through implementing partners, executing agencies which include registered trusts, societies, NGOs having an established track record in carrying out the specific proposal. APL shall specify the activities/ programmes to be undertaken;
 6. The proposal may be implemented in collaboration with other companies provided the CSR Committees of the respective companies approve such activities/ programmes to be undertaken jointly.

e) Powers for approval

CSR programmes as may be identified by plants and office location of the Company will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.

For meeting the requirements arising out of immediate and urgent situations, Chairman/ Executive Director is authorized to approve proposals in terms of the empowerment accorded to him by CSR Committee.

f) Executing agency/ partners

- i) APL will seek to identify suitable programmes for implementation in line with the CSR objectives of the Company and also benefit the stakeholders and the community for which those programmes are intended. These works would be done through:
1. Community based organizations whether formal or informal.
 2. Elected local bodies such as Panchayats.
 3. Voluntary Agencies (NGOs).
 4. Institutes/ Academic Organizations
 5. Trusts, Missions.
 6. Self – help Groups.
 7. Government, Semi-Government & autonomous Organizations.
 8. Mahila Mandals/Samitis.
- ii) Agreement between APL & Executing agency:
Once the programmes approved by the CSR Committee of the Board are communicated to the APL Offices/Units, they will be required to enter into an agreement with each of the executing/ implementing agency as per the Standard Model Agreement.

7. MONITORING

- a) To ensure effective implementation of the CSR programmes undertaken, a centralised monitoring mechanism will be set up under the guidance of the CSR Committee.
- b) The progress of CSR activities under implementation will be reported to the CSR Committee, through the Company Secretary of APL, on a monthly / quarterly / periodic basis.
- c) The CSR Committee will have periodical inspection / investigations carried out through independent professionals, especially for high value programmes.
- d) The CSR Committee may, independently, obtain feedback from the beneficiaries about the CSR programmes.
- e) Appropriate documentation of the APL CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- f) CSR initiatives of the Company will also be reported in the Annual Report of the Company.

8. DISCLOSURES

The Policy for Corporate Social Responsibility is to be uploaded at www.anandprojects.com and a web link thereto shall be provided in the Annual Report.

9. GENERAL

In case of any doubt, ambiguity or clarification with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee of the Board. In all matters, the interpretation and decision of the CSR Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the amendments in the Companies Act, 2013 or Companies (Corporate Social Responsibility Policy) Rules, 2014 and any guidelines on the subject as may be issued from Government, from time to time.

The Board reserves the right to amend, modify, cancel, add, or alter any provisions of this Policy.
