

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 April 01st, 2021.

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.
5. **“Administrative Overhead”** means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
6. **“CSR Policy”** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
7. **“International Organisation”** means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.
8. **“Ongoing Projects”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

9. **“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, namely: -
- (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 Companies Act 2013.

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;
- 11) Any other CSR programmes as may be included by the Central Government in Schedule VII of the Companies, Act, 2013 from time to time;
- 12) Such other projects which, in view of the Board of Directors, are within the scope of CSR activities prescribed by the Central Government from time to time.

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 Companies Act, 2013.

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.

The Board of Directors shall ensure that CSR activities are undertaken by the company itself or through –

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

c) Funding & Allocation:

APL shall spend in every financial year at least such percentage prescribed by Government from time to time of the average net profits [as calculated under Companies (CSR Policy) rules, 2014] of the previous three years for CSR activities.

- (a) If APL fails to spend such amount, then Board shall, in its Board Report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- (b) If APL spends excess amount, then the Company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.
- (c) If any amount remaining unspent under sub-section (5) of Section 135, pursuant to any ongoing project fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within 30 days from the end of the financial year to a special account opened with any schedule bank named as “Unspent Corporate Social Responsibility Account”.
- (d) The amount Transferred shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3 financial years from the date of such transfer.
- (e) If a Company fail to utilize the funds, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- (f) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

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.

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 such percentage of net profits of the Company made during the three immediately preceding financial years or such other amount as may be specified by the Government.

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:
 - (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - (c) any entity established under an Act of Parliament or a State legislature; or

- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A & 80G of the Income Tax Act, 1961, and having an established track record of at least 3 years in undertaking similar activities.
- ii) Agreement between APL & Executing agency:
Once the programmes approved by the CSR Committee of the Board are communicated to the APL Office, 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 composition of the CSR Committee, and CSR Policy and Projects approved by the Board should be disclosed on the website of the Company.

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.
