

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

THE ANDHRA SUGARS LIMITED

CSR Policy:

Corporate Social Responsibility (CSR) Policy of The Andhra Sugars Limited, (ASL):

Preamble:

Corporate Social Responsibility is strongly connected with the principles of sustainability; an organisation should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of ASL to focus on various areas of corporate sustainability that impact the environment, people and their health and society at large and to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of all its stakeholders.

ASL recognises that its business activities have wide impact on the society in which it operates, and therefore an effective practice of CSR Policy is required giving due consideration to the interests of all its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities, other organisations and Government.

Way back in the 1950s, well before there was the thought of “Corporate Social Responsibility” The Andhra Sugars Limited took up these activities. Realising that Health and Education are vital for the improvement of the quality of human life your Company helped build a Medical College at Kakinada to produce the Doctors needed for rural healthcare and followed this up with helping in setting up a modern Hospital at Tanuku providing Cardiac, Ophthalmologic, Orthopedic, Obstetric, Gynaecological and Dental Care. The Andhra Sugars Limited helped to provide education by helping in setting up two Schools and a Polytechnic and helped in setting up a modern Library and a Cultural Centre with a 1000 seat Indoor Auditorium and an Outdoor Auditorium.

As per the provisions of Section 135 of the newly enacted Companies Act, 2013, every company having a net worth of Rs.500 Crores or more, or turnover of Rs.1,000 Crores or more, or a net profit of Rs.5 Crores or more during any Financial Year, is required to constitute a Corporate Social Responsibility (CSR) Committee consisting of at least 3 Directors out of whom 1 should be an Independent Director.

Accordingly Board of Directors at its meeting held on 26.5.2014 constituted CSR Committee comprising the following Directors:

1. Sri P. Narendranath Chowdary
2. Sri M. Thimmaraja
3. Sri V.S. Raju

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Important Definitions:

“CSR Activities” shall mean the projects and / or programmes to be undertaken by the Company either directly on its own, or indirectly, i.e., through Implementing Agencies, pursuant to applicable laws in accordance with this CSR Policy.

"CSR Policy" means a Statement containing the approach and direction given by the Board of the 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.

“Implementing Agency” means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the Company to implement various projects in pursuance of the CSR Policy.

“Impact Assessment” means Impact Assessment as defined in the CSR Rules.

“Rules” means Companies (Corporate Social Responsibility Policy) Rules, 2014, or, any other Rules prescribed under Section 135 of the Act and pertaining to CSR, as may be amended and prescribed from time to time.

“Net Profit” means the Net Profit as defined in the CSR Rules. Where any word, or phrase, or term is used and not defined in this Policy but defined in the Act or CSR Rules shall have the same meaning as assigned to it therein.

CSR Policy consists of 5 sections:

- (a) CSR activities to be taken up
- (b) Implementation of CSR Activities
- (c) Annual Action Plan
- (d) Amount of expenditure to be incurred and
- (e) Monitoring of CSR activities from time to time.

(a) CSR activities to be taken up:

ASL's policy is towards achievement of CSR objectives by undertaking any one or more of the following activities to be in alignment with Schedule–VII of the Companies Act, 2013 either on its own or through any Trust / Society or other recognised agency.

(i) 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.

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

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(iii) 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.

(iv) 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 set-up by the Central Government for rejuvenation of river Ganga.

(v) 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 art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

(viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

(x) rural development projects

(xi) slum area development.

Explanation.- For the purposes of this item, the term '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.

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- (xii) Disaster Management, including relief, rehabilitation and reconstruction activities.
- (xiii) To make contribution to any recognised Trust/ Society/ Institute which has the object of carrying on any one of the above activities.
- (xiv) To undertake any other activity which may be specified by the Central Government or State Government in this regard from time to time and the same be placed before the Board for its information and approval.
- (xv) The Company shall have an option to carry on any of the above activities either on its own or through recognised Trust / Society / Institution.

b) Implementation of CSR Activities:

The Company's CSR programmes shall be undertaken by the Company itself or through the following entities Registered with MCA and having CSR Registration Number:

- (a) a Company establishment 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) 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 establishment track record of at least three years in undertaking similar activities.

The Company shall specify the projects or programs that should be undertaken by the entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism. The Company has to ensure that the implementing agencies shall utilise the funds contributed to them for the activities covered in Schedule VII of the Act.

The Company may also collaborate with the other companies for undertaking CSR projects or programmes or activities in such a manner that the CSR committees of respective Companies are in a position to report separately on such projects or programmes in accordance with the Rules.

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(c) **Annual Action Plan :**

The CSR committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII (including any amendments made thereto from time to time) of the Act;
- (b) the manner of execution of such projects or programmes as specified in sub- rule of rule 4;
- (c) the modalities of utilization of funds and implementation Schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes ;
and
- (e) details of need and impact assessment, if any, for the projects undertaken by the Company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR committee, based on the reasonable justification to that effect. The Board shall consider and approve the CSR plan with any modifications that may be deemed and necessary.

(d) Amount of expenditure to be incurred:

As per the provisions of Section 135(5) of the Companies Act, 2013, company should spend in every Financial Year at least 2% of the average net profits of the company made during the three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy and the company shall give preference to the local area and areas around it where it operates or any other permissible location for spending the amount earmarked for Corporate Social Responsibility activities.

Accordingly, for achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, ASL shall allocate at least 2% of its average Net Profits calculated as per Section 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.

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Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

Where the Company spends any amount towards CSR activities in any Financial Year less than or in excess of the statutory requirement, the same shall be dealt with as per the provisions of the Companies Act, 2013 and rules made thereunder.

(e) Monitoring CSR activities from time to time:

As required by the provisions of Section 135(3)(c) of the Companies Act, 2013 the CSR Committee constituted above shall monitor the CSR policy of the Company from time to time and recommend any changes which are required to be made in the CSR Policy due to revision or amendment in accordance with the guidelines as may be issued by the Government from time to time.

Corporate Social Responsibility Committee or the Board shall have the right to make necessary modifications in this Policy as may be deemed appropriate or as required by any statute from time to time.

This CSR Policy formulated at the CSR Committee meeting held on 28.05.2022 be recommended to the Board for its approval.

Recommended

(V.S. RAJU)
Chairman of the Committee Meeting

Approved

(P. NARENDRANATH CHOWDARY)
Chairman of the Board Meeting