

**ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION
LIMITED**

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. DEFINITIONS

- 1.1. **“Company”** shall mean the ANDHRA PRADESH INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED

A Company incorporated under the provisions of the Companies Act, 1956 with its registered Office at Parisrama Bhavanam, 6th Floor, 5-9-58/B, Fateh Maidan Road, Hyderabad, Telangana, India- 500004.

Corporate Office at 59A-20-3/2A, Sri Siva Complex, Funtimes Club Road, Teachers Colony, Vijayawada, Andhra Pradesh, India- 520008.

- 1.2. **“Act”** shall mean the Companies Act, 2013 and includes any other rules, regulations made under the Act, statutory amendments from time to time, and any other statutory enactment thereof;
- 1.3. **“Board”** shall mean Board of Directors of the Andhra Pradesh Industrial Infrastructure Corporation Limited.
- 1.4. **“Chairman”** shall mean the members of the Committee present at the meeting shall choose one amongst them to act as Chairman
- 1.5. **“CSR”** shall mean the Corporate Social Responsibility as defined in the Section 135 of the Companies Act, 2013 and rules made there under
- 1.6. **“Committee”** shall mean the CSR Committee formed by the Board of Directors of the Company.
- 1.7. **“Activities”** shall mean the CSR activities as prescribed by the Committee to the Board in cohesion with those enunciated in the schedule VII of the Act, 2013 for the benefits of the localities of nearby area of the company mainly or in any other part of India as may be deemed fit by the BOD or CSR committee
- 1.8. **“NGO”** shall mean the non-profit organizations be it a Registered trust, society, section 8 companies of the Act, 2013 made by the company or its holding, subsidiary or associate company, or any

association formed and registered under the respective statutory body in India;

1.9. **“Beneficiaries”** shall mean the person (s) or sector of people fructifying the benefits from the activities defined in clause 1.6, and shall include ecology, environment;

1.10. **“Directors’ report”** shall mean the report under the section 134 of the Act 2013, by the Company;

1.11. **“Web site”** shall mean the official web site of the Company

2. OBJECTIVES

APIIC Limited CSR Policy intends to:

Strive for economic development that positively impacts the society at large with minimal resource footprint.

Embrace responsibility for the Company’s actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

3. COMPOSITION OF CSR COMMITTEE

The CSR Committee consists three directors as decided by the Board from time to time

4. MEETING

4.1. The committee members will meet as per requirement.

4.2. Notice of any meeting of the CSR Committee has to be given at least 3 days prior to any such meeting to be held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member.

5. QUORUM

5.1. Minimum of two Members shall form the Quorum.

6. RESOLUTIONS

6.1. All decisions shall be taken by simple majority. In case of equality of votes on any matter, Chairman shall have a casting vote.

- 6.2. The CSR Committee can also pass the resolution by circulation, if the draft resolution along with necessary papers, has been circulated to all the members of the CSR Committee (not being less than the quorum fixed for a meeting of the CSR Committee) or by majority of such of them, as are entitled to vote on the resolution.

7. MINUTES

- 7.1. Minutes of the proceedings and resolutions of the CSR Committee meetings shall be signed and confirmed by the Chairman of the meeting. Minutes so signed and confirmed shall be conclusive evidence of such proceedings and resolutions.
- 7.2. Minutes of all Committee meetings will be open for inspection at any reasonable time on reasonable notice by any member of the Board of Directors of the Company.
- 7.3. Minutes of the committee meeting shall be recorded in loose sheets bound and shall be initialled by the Chairman or in electronic form and shall be digital signed by the Chairman.

8. MAINTENANCE OF RECORDS

- 8.1. Company Secretary of the Company may be nominated as a responsible person for maintaining the records of all the Meetings and duly signed minutes of the Meeting of the CSR Committee at a place designated by the Committee.

9. CSR FUNDS

- 9.1. In every financial year, the company should spend at least 2 percent of the average Net Profits of the company made during the three preceding financial years.
- 9.2. However, at the recommendation of the CSR committee, the Board may decide to spend more amounts.

10. NOT FOR EMPLOYEES ONLY:

- 10.1. The CSR activities should not be exclusively for the benefit of employees of the Company or their family members.

11. AMENDMENTS TO THE CSR POLICY:

- 11.1. The Board of Directors of the company shall have power to amend the CSR Policy at any point of time after taking recommendation of CSR Committee

12. ROLE OF BOARD OF DIRECTORS

- 12.1. Approval of CSR Policy after considering recommendations of CSR Committee.
- 12.2. Contents of CSR Policy on company's website.
- 12.3. Ensuring CSR Policy activities are undertaken.

13. ROLE AND RESPONSIBILITY OF THE COMMITTEE.

The Committee shall

- 13.1. Recommend the computed amount that shall be spend on CSR.
- 13.2. The bifurcation on the recommended amount for the activities to be undertaken for nearby areas and for rest of country.
- 13.3. Determine the beneficiaries of the activities.
- 13.4. Mode of serving the beneficiaries i.e., directly or indirectly through an NGO.
- 13.5. Identify the NGO through which the beneficiaries shall be served.
- 13.6. Determine the mode of payment to the identified NGOs.
- 13.7. Derive the method of verifying whether the amount allotted is spend for the beneficiaries.
- 13.8. Derives and implement a snap check procedures.
- 13.9. Audit and assess the activities implemented.
- 13.10. Report to the Board and aids in disclosing in the Directors' report of the Board under section 134 of the Act, 2013 as well as uploading in the official web site of the Company.

14. NGO

The NGO selection criterions are;

- 14.1. Legal identity and its organization
- 14.2. Registration under the Income Tax.
- 14.3. Members in the Board of NGO.

- 14.4. Past donors and recipients of NGO.
- 14.5. Impact assessment on the activities undertaken.
- 14.6. Input output ration of the activities undertaken.
- 14.7. Director's employees, volunteer's remuneration.
- 14.8. Future projects appraisal;
- 14.9. Beneficiaries of the activities.
- 14.10. Projected impact assessment of the activities.
- 14.11. Fund required for the activity and plan for contribution.
- 14.12. Other donors contributing for these chosen activities.

15. ACTIVITIES MAY BE INCLUDED IN CSR POLICY

As per Schedule VII of the Companies Act, 2013, there are some specified generic categories of activities:

- 15.1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- 15.2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 15.3. 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;
- 15.4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 15.5. Protections 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:

- 15.6. Measures for the benefit of armed forces veterans, war widows and their dependents;
- 15.7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- 15.8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- 15.9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- 15.10. Rural development projects
- 15.11. Such other matters as may be prescribed

16. ASSESSMENT

- 16.1. Accounting on the money spent on CSR.
- 16.2. Auditing and submission of activity report for the approval of the Board before the AGM.

17. REVIEW OF ACTIVITIES

- 17.1. Frequency of review will be on quarterly basis.
- 17.2. Implementation of changes desired.
- 17.3. Alternate NGO performing better for the cause.
- 17.4. Recommendation of the identified NGO for the review of Board.

18. OTHERS

- 18.1. Preference shall be to local area and areas around it where it operates.
- 18.2. The company may spend on CSR activities by way of an organization which is registered as Trust or Section 8 Company

or Society or Foundation, directly or any other form of entity operating within India.

- 18.3. The company may incorporate / registered a separate trust, society, foundation, section 8 of the Companies Act, 2013 to facilitate CSR Activities.
- 18.4. CSR activities in India only shall be taken into consideration.
- 18.5. Expenditure thereof is eligible for computing CSR spending.
- 18.6. The CSR policy of the Company as amended from time to time, shall be posted on the website of the Company.
- 18.7. Surplus arising out of the CSR Activity will not be part of business of the Company.
- 18.8. The Company may collaborate or pool resources with other companies to undertake activities.

19. IMPLEMENTATION PROCESS

- 19.1. All projects are identified in a participatory manner, in consultation with the community, literally sitting with them and gauging their basic needs.

We recourse to the participatory rural appraisal mapping process.

Subsequently, based on a consensus and in discussion with the village Panchayats, and other influential, projects are prioritized.

20. COMPUTATION OF NET PROFIT FOR CSR.

- 20.1. For the purposes of this section, “Average Net Profit” shall be calculated in accordance with the provisions of section 198 of Companies Act, 2013.