

BANNARI AMMAN SUGARS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR Policy)

(As amended by the Board on 24th May, 2021)

CONCEPT

The Company's philosophy on Corporate Social Responsibility (CSR) is that "as the organisation grows, the society and community around it should also grow".

VISION

The Company's vision is to contribute to the social and economic development of the communities in which it operates, resulting in building a better and sustainable way of life for the society at large.

APPLICABILITY

This Corporate Social Responsibility policy (CSR Policy) shall apply to all CSR initiatives and activities taken up at various factories and other locations of Bannari Amman Sugars Limited (BASL), for the benefit of different segments of society.

This Policy shall be governed by the applicable provisions of the Companies Act, 2013, the Rules framed thereunder viz. Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) and other statutory provisions governing the matter.

OBJECTIVES

The objective of the CSR Policy is to -

- a). Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.

- b). To directly or indirectly take up programmes that benefit the communities in & around its factory locations and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- c). To generate, through its CSR initiatives, a community goodwill for the company and help reinforce a positive & socially responsible image of the company as a corporate entity.

AREAS OF INITIATIVES

Over the years the Company or Group has been involved in a number of community-focused activities, in the areas of health, education and preservation of the country's rich culture and heritage. Continuing the tradition, it is recommended that the Company may focus primarily on the following activities to be referred to as "CSR activities":

- a) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) 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;
- d) 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;

- e) 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;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) Training to promote rural sports, nationally recognised sports, paralympics sports and olympic sports;
- h) 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;
- i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) Rural development projects;
- k) Slum area development;
- l) Disaster management including relief, rehabilitation and reconstruction activities.
- m) Such other activities and projects covered in Schedule VII to the Companies Act 2013 from time to time.

EXPENDITURE

It shall be the endeavour of the Company to spend in every financial year at least 2% of the average net profits of the Company made during the three immediately preceding financial years for its CSR activities.

IMPLEMENTATION PROCESS

The CSR activities may be undertaken directly by the company or through a registered trust or a registered society or a company established under Section 8 of the Companies Act, 2013 or through subsidiary or associate company or society or company which shall have an established track record of 3 years in undertaking similar programmes or projects.

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

ANNUAL ACTION PLAN

Every year, the CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of CSR Policy which shall include the following:

- (a) The list of CSR projects or programmes that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Act;
- (b) The manner of execution of such projects or programmes;
- (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 the Board of Directors may alter such plan at any time during the financial year, as per the recommendation of CSR Committee based on reasonable justification to that effect.

UNSPENT CSR AMOUNT

Unspent CSR amount if any, shall be dealt with in accordance with the provisions of the Companies Act, 2013 (as amended from time to time) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time)

EXCESS AMOUNTS SPENT TOWARDS CSR

Subject to the provisions of the Companies Act, 2013 (as amended from time to time) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) in case the company spends excess amounts towards CSR (over and above 2% in a financial year) it shall be eligible to set off such excess amount against the CSR obligation in succeeding three financial years subject to the condition that the excess amount available for set off shall not include the surplus arising out of CSR activities and the Board shall pass a resolution for the said setting off the excess amount spent.

CSR REPORTING

The CSR Policy and the annual report on CSR activities shall be reported as statutorily required and as warranted, such as Company's website, Annual Reports etc.

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