

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

India is one of the fastest and largest growing economies in the world. With the growing development, India is also flooded with various social problems such as poverty, unemployment, illiteracy, power crisis, gender bias, and many more. To sustain economic growth and to overcome the effects of development and globalization, it becomes necessary for every citizen whether individual or corporate to take the responsibility of the people, society, environment and its resources in which we reside.

Here emerged the need of Corporate Social Responsibility. Although the concept of Corporate Social Responsibility is not new in India, however, the Ministry of Corporate Affairs, Government of India notified the Section 135 of the Companies Act, 2013 which makes it mandatory for certain companies who fulfill the criteria as mentioned under sub-section (1) of Section 135 to comply with the provisions relevant to Corporate Social Responsibility.

The concept of CSR rests on the ideology of give and take. Companies take resources in the form of raw materials, human resources etc. from the society. By performing the task of CSR activities, the companies are giving something back to the society.

Annapurna Swadisht Limited (the 'Company') has been incorporated under the Companies Act, 2013 on 11th February 2022. The Company is committed to operate in an economically, socially and environmentally sustainable manner and to work in these areas in order to meet the norms of corporate governance. The Company shall give preference where it operates to improve the quality of people living, lay special emphasis on education, skill enhancement, environment, health, community development, social welfare and promotion of cultural activities as envisaged in the provisions of law.

Annapurna Swadisht Limited (hereinafter to be referred as the "**Company**") understands its responsibility towards the society and environment in which it operates, and is committed to operate and grow its business in a socially responsible way. This Policy will be effective from May 29, 2023.

2. APPLICABILITY

The Ministry of Corporate Affairs, has, vide its notification dated February 27, 2014 made the provisions of section 135 of the Companies Act, 2013 and Schedule VII of the said Act relating to Corporate Social Responsibility applicable to the Company with effect from 1st April, 2014. The Companies (Corporate Social Responsibility Policy) Rules 2014 ("CSR Rules") are notified on 27th February, 2014 and are effective from 1st April 2014.

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through a notification dated January 22, 2021, thus giving effect

to the changes introduced in CSR by the Companies Amendment Acts of 2019 and 2020.

The Companies (Amendment) Act has also inserted a new Sub-section 9 in Section 135 of the Companies Act, which provides that where the amount to be spent by a company on CSR activities is less than Rs 50 Lakh, the requirement with respect to constitution of a CSR committee will not apply and the functions of the CSR committee in such cases will be discharged by the company's board of directors.

3. VALIDITY OF CSR POLICY

The Board shall review the CSR Policy at least once a year.

4. DEFINITIONS

Some of the key terms used in the Corporate Social Responsibility Policy are as under:

‘Act’ means the Companies Act, 2013 including any amendments as may be applicable from time to time.

‘Average Net Profit’ means net profit as computed in accordance with section 198 of the Act.

‘Board’ means the Board of Directors of Annapurna Swadisht Limited or the Company.

‘Corporate Social Responsibility (“CSR”) means and includes but is not limited to:-

- i) Projects or programs relating to activities specified in Schedule VII of the Act; or
- ii) Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the Corporate Social Responsibility Committee of the Board as per this policy of the Company and will cover subjects enumerate in Schedule VII of the Act.

‘CSR Activities’ means the activities which may be included by the Company in its CSR Policy in accordance with Schedule VII of the Act.

‘CSR Committee’ means the Corporate Social Responsibility Committee of the Board.

‘CSR Policy’ means the Corporate Social Responsibility Policy of the Company formulated and recommended by the CSR Committee to the Board of the Company.

‘Net Profit’ as defined in the said CSR Rules means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act. Net profit means net profit before tax as per books of accounts of the Company and shall not include profits arising from branches outside India.

Word and expressions used and not defined in the Rules but defined in the Act shall have the same

meaning respectively assigned to them in the Act.

5. CSR GOALS

Annapurna Swadisht is committed keeping sustainability at the forefront. Annapurna Swadisht under its corporate social responsibility framework believes that sustainable development can be ensured only by continually and responsibly enhancing meagre resources – financial, natural, social, human and physical – for the benefit of business; and by offsetting the impact of business on these resources.

Annapurna Swadisht CSR strategy is to create win-win situation for the communities, environment and other stakeholders at the same time contribute to the achievement of Sustainable Development Goals.

Therefore, Annapurna Swadisht CSR goals are:

- Having minimal impact on the natural environment
- Enabling local communities to develop their potential
- Empowering employees to be responsible civil society members
- Committing ourselves to ethical business practices that are fair to all stakeholders; so that we can collectively contribute towards creating a better world for all.

Annapurna Swadisht is committed to invest its resources to achieve these goals.

6. CSR COMMITTEE

Where the amount to be spent by a company does not exceed 50 (fifty lakh rupees), the requirement for the constitution of the CSR Committee shall not be applicable to Company and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

7. CSR ACTIVITIES – IMPLEMENTATION AND MONITORING

The CSR Activities shall be undertaken by the Company as per this policy by way of projects or programs or activities (either new or ongoing) in India, excluding the activities undertaken in pursuance of the normal course of business. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

The Board may decide to undertake CSR Activities approved by the Board, through a registered trust or a registered society or a company established by the company or subsidiary or associate company under Section 8 of the Act or otherwise and subject to conditions as specified in the CSR Rules.

The Company may also collaborate with other companies for undertaking projects or programs or

CSR Activities in such a manner that the CSR Committee of respective companies are in a position to report separately on such projects or programs in accordance with the CSR Rules.

CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR Activities, approved by the Board, but shall not include

- a) any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.
- b) CSR projects or programs or activities that benefit only the employees and their families.
- c) Contribution of any amount directly or indirectly to any political party under section 182 of the Act.

CSR Activities includes: -

- (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 vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality and empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers 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, agro forestry, 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 building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports
- (viii) 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
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- (x) Rural development projects
- (xi) Slum area development.

The list of CSR projects or programs which the Company plans to undertake will fall within the purview of schedule VII of the Act.

8. AMENDMENT

The Company or the Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or any law for the time being in force.

9. APPROVAL

This CSR Policy was approved by the Board of the Company at its meeting held on 29th May, 2023 and shall come into force with immediate effect.

10. WEBSITE DISCLOSURE

This Policy will be posted on the website of the Company www.info@annapurnasnacks.in