



APEX FROZEN FOODS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR Policy)

1. CONTEXT

Apex Frozen Foods Limited (AFFL' or 'the Company') has been an early adopter of corporate Social Responsibility (CSR) initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

2. SCOPE AND APPLICABILITY

The AFFL Corporate Social Responsibility (CSR) Policy has been developed in accordance with section 135 of the Companies Act 2013 ("Act") on CSR and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") (including any statutory modifications, amendments, or re-enactments of any of them for the time being in force). This Policy shall apply to all CSR projects / programmes undertaken by AFFL as per Schedule VII of the Act.

Definitions:

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act, 2013, including any modifications, amendments or re-enactment thereof,
2. "Agency" (or Agencies) means any Section 8 Company or a registered trust /society / NGO / institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ Section 8 Company which is formed by the Company.
3. " Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects
4. "Board" shall mean the Board of Directors of the Company.
5. "Company" shall mean Apex Frozen Foods Limited., and wherever the context requires, shall signify the Company acting through its Board.
6. "CSR Annual Plan" shall mean the annual plan detailing the CSR projects and expenditure towards the respective projects during any financial year.
7. "CSR expenditure' means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:
 - i. Contribution to CSR Projects which shall be implemented and/or executed by the Company;
 - ii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and
 - iii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency.
 - iv. Any other contributions covered under Schedule VII.

8. "CSR Projects" or "Projects" means Corporate Social Responsibility projects / activities programs / initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.
9. Projects / activities / programs / initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.
10. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
11. "Ongoing Project" means a multi-year project undertaken by the Company in fulfillment of CSR obligations 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 the multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.
12. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

3. OBJECTIVES

AFFL 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.

4. FOCUS AREAS

In accordance with the requirements under the Companies Act, 2013, AFFL. CSR activities, amongst others, will focus on:

1. Eradicating hunger, poverty and malnutrition:
 - Provision of food, nutrition supplement, clothes etc for the poor, children and other deprived sections of the society.
 - Supporting nutrition in anganwadi centres and building capacities of anganwadi workers to this effect.
 - Provision of shelter for homeless.
 - Promoting sanitation, making available safe drinking water
2. **Promoting Health care including Preventive Health care** through awareness programmes, health check-ups, provision of medicine & treatment facilities, providing pre natal & post natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity.

3. Ensuring environmental sustainability and ecological balance through:

- Plantation drives in schools, villages, our manufacturing units & offices/ business premises and other areas in general;
- Reviving endangered plants, promoting agro-forestry;
- Protection of flora & fauna;
- conservation of natural resources
- Maintaining quality of soil, air & water,
- Adoption of wastelands to cultivate plants;
- Promoting biodiversity;
- Animal welfare and veterinary services.
- Technical support and Knowhow for improving farming and building capacities of small farmers.
- Promoting alternate energy resources.

4. Employment and livelihood enhancing vocational skills and projects including tailoring, beautician, mehendi application, bee keeping, food processing and preservation, vermi-composting and other Life Skill Training and livelihood enhancement projects.**5. Promotion of education** especially among children, women, elderly and the differently abled including:

- Non-formal education programmes.
- Supporting schools with infrastructure like benches, toilets, potable water, fans etc.
- Supporting other educational institutions.
- Improving educational facilities in general,
- Supporting children for higher education.

6. Promoting gender equality and empowering women including:

- Adult literacy for women.
- Promoting and providing credit support to women's self-help and joint liability groups.
- Training in vocations pursued by women.
- Setting up homes for women & orphans;
- Setting up old-age homes & other facilities for senior citizens
- Setting up hostels for working and student women, day care centers for kids of working women,

7. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.**8. 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;****9. 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;**

10. 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).

11. Rural Development Projects,

12. Slum area development.

13. Other Activities:

- Promotion of Sports with special focus on training for rural sports, nationally recognized sports, Paralympic sports, Olympic sports.
- Welfare for differently disabled persons
- Setting up public libraries
- Reducing inequalities faced by the socially and economically backward groups
- Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art.
- Welfare of armed forces personnel, war widows and their dependents.
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Such other activities as may be notified by the relevant Authority under Schedule VII of the Companies Act, 2013.

14. Incidental Activities.

- Employing people and incurring other costs to carry out aforesaid activities.
- Such other activities as the Board may consider being appropriate.

5. LOCATION OF CSR EFFORTS

The CSR committee will exercise the discretion to select location/s in any urban or rural geographical areas across India for its CSR initiatives through prioritization based on: developmental needs, relevance of issues, feasibility of project/s, accessibility, ease of implementation, potential for acceptance and adoption of the initiative by local communities.

6. GOALS

Our goals include the following:

Sl.No	Goal Area	Actions
1.	Hunger, poverty, malnutrition and Healthcare	AFFL will work with various non-profit organizations that malnutrition and run mid-day meal programs in schools across India and may Healthcare establish kitchens that provide meals to schoolchildren.

		AFFL will work with organizations working in medical or health-related projects such as providing support for cancer treatment, cataract surgeries.
2.	Education	AFFL focus on education will be on two fronts: (a) To train students from under privileged backgrounds in its various development centers. (b) Provide grants to various colleges in India for improving their infrastructure. Sponsor chairs and create endowment funds for the colleges/universities to assist students with their studies.
3.	Rural Development	We believe that the well-being of people living in rural areas ensures sustainable development. We will work with local administrations to achieve community development goals. We will partner with governments and NGOs and support them in improving infrastructure such as constructing roads, providing drainage systems and electricity, and rehabilitating natural- disaster-affected victims in rural areas.
4.	Gender equality, Environmental, sustainability, art and Culture,	AFFL will, among other things, focus on promoting gender Environmental equality and empowering women, ensuring environmental sustainability, art sustainability, ecological balance, protection of flora and fauna and Culture, and protection of national heritage, art and culture including restoration of buildings and sites of historical Importance.

7. GOVERNANCE

In compliance with the requirements of Section 135 of the Act, the Company has constituted a robust and transparent governance structure to oversee the implementation of its CSR Policy.

a) Board-level CSR Committee

At AFFL, the CSR governance structure will be headed by its Board Level CSR Committee which will be ultimately responsible for the CSR projects undertaken. The Committee will report to the Board of Directors of AFFL.

b) Present Constitution of CSR Committee:

The CSR Committee of the Board of Directors comprise the following Members:

- Mr. Karuturi Satyanarayana Murthy - Chairman of the Committee
- Mr. Karuturi Neelima Devi - Member of the committee
- Mr. B. Raghavulu Naidu - Member of the committee

The Board shall reconstitute the CSR Committee as and when required inter alia, to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements,

c) Responsibilities of the CSR Committee

The responsibilities of the CSR Committee include:

- Formulate and update the CSR Policy to the Board of Directors for approval.
- Suggest areas of intervention to the Board of Directors.
- Approve projects that are in line with the CSR Policy.
- Formulate, review and align monitoring mechanisms to track the progress of each project.
- Recommending the amount of expenditure for the CSR activities to the Board of Directors for approval,
- formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the modalities of utilization of the CSR funds and implementation of schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact
- Assessment 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.

d) Role of the Board of Directors:

The roles and responsibilities of the Board of Directors towards CSR shall include:

- Provide recommendations and approval for the annual action plan formulated and presented by the CSR Committee for spending of the prescribed CSR budget.
- Alter the recommended annual action plan at any time during the financial year, if required, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect
- Ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of its CSR Policy.
- Ensure that the Company, treats the CSR Spends ie. CSR surplus, excess expenditure and unspent CSR funds as per the modalities prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021,
- Specify in its Report the reasons for not spending the amount if the Company fails to spend such amount.

8. GUIDING PRINCIPLES FOR PROJECT SELECTION AND IMPLEMENTATION

- **Relevance:** Projects should be need-based, keeping local issues into consideration.
- **Outcomes-orientation:** Projects will be designed with clear objectives, planned outcomes and a suitable monitoring and reporting framework. All projects will be periodically reviewed for course correction, wherever necessary.
- **Sustainability:** Projects should be designed for creating a long-term impact. An incremental expansion approach may be deployed if required. They should incorporate multiplier effects. Projects should ideally be replicable for subsequent coverage in other regions.
- **Implementation Agencies** should be carefully selected after due assessment of their local credibility, local knowledge, domain expertise, local institutional relationships and their approach to sustainability.
- There should be due consideration of any material risk factors before selecting, initiating and during implementation of projects. These risks should be duly mitigated and managed on a regular basis.

9. SELECTION OF CSR ACTIVITIES / PROGRAMMES

The Company's CSR programmes are guided by this Policy. The Company will undertake CSR activities as mentioned in focus areas, in line with annual action plan with their execution modalities and implementation schedules in accordance with the applicable CSR Provisions.

AFFL or such other entity will receive requests for funding of projects from time to time. Its panel of experts will evaluate proposals received under the AFFL's focus areas and projects will be prioritized by assessing their impact. Representatives of the company or such other entity will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

The CSR Committee may under the above areas identify and recommend to the Board "Ongoing Project/s" that requires multi-year implementation but not having timelines exceeding three years excluding the financial year in which it commences, and also may designate some of the existing CSR projects as an Ongoing Project and such Ongoing Projects shall be selected, implemented, monitored and reported in accordance with the applicable CSR Provisions,

The CSR Committee may, if required, recommend to the Board of Directors as part of the CSR Policy, activities outside of the above-mentioned focus areas. All activities will be undertaken in project mode with defined objectives and deliverables, clarity on target beneficiaries, implementation plans with schedule of timeline agreed prior to commencement of activities.

10. MODE OF IMPLEMENTATION:

AFFL will undertake the CSR activities through the company itself or through below mentioned agencies:-

- 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) 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.

Such agencies could be made to work singly or in and with other agencies.

11. FUNDING AND ALLOCATION

The Company, in every Financial Year, shall endeavor to spend the feasible amount, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years, calculated in accordance with the relevant provisions of act, and Rules.

Any surplus generated from CSR projects shall not be added to the normal business profits of the Company and shall be treated as follows:

- Ploughed back into the same project; or
- Transferred to an Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company; or
- Transferred to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules.

The Company may spend up to 5 percent of its total CSR expenditure towards administrative overheads for the financial year for the purpose of CSR functions in the Company.

All reasonable efforts will be made to ensure that the CSR amount so disbursed is fully utilized in the respective year in the manner as approved by the Board.

However, if in case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the unspent amount, relating to a project, other than ongoing project, shall be transferred to any fund included in Schedule VII of the Act (until a fund is specified in Schedule VII of the Act) within a period of six months from the expiry of the financial year and Board shall specify the reasons for the same in its report in terms of clause (9) of sub-section {3} of section 134.

The unspent amount relating to ongoing project shall be transferred within a period of thirty days from the end of the financial year to a special account which will be opened by the Company in that behalf in that financial year in any scheduled bank to be called 'Unspent Corporate Social Responsibility Account and such amount will be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which the Company will transfer the same to a fund specified in Schedule VII within a period of thirty days from the date of completion of third financial year.

The disbursement of funds shall be submitted to the Board as a part of the review along with the details of how the funds have been utilized, which shall be certified by the Company's CFO.

In case of an ongoing project, the implementation along with the approved timelines and year-wise allocation will be presented to the Company's Board.

In case the Company spends an amount in excess of the requirements of its CSR obligations in a financial year, such excess amount may be set-off against the requirement of the CSR Spending under sub-section (5) of Section 135 upto the immediate succeeding 3 financial years subject to the fulfillment of conditions as specified under CSR Rules.

The Company may spend its CSR amount for creation or acquisition of the capital asset subject to the fulfillment of conditions as specified under the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.

12. MONITORING

The planned outcomes will be regularly monitored by the in-house team, supported by experts, through a combination of on-site visits, local stakeholder discussions for feedback and suitable reporting documentation.

13. CSR REPORTING:

Impact assessment, if and when mandated, will be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR.

Company will communicate CSR related information including efforts, achievements etc. to stakeholders through The Annual Report on CSR Activities, which forms part of Company's Annual Report.

14. DISPLAY OF CSR ACTIVITIES:

The composition of CSR Committee, and CSR Policy and Projects approved by the Board will be displayed on the company's website, for public access.

15. EFFECTIVE DATE

The original policy was adopted on 08th December 2014, This modified policy is effective from 11 February, 2021.

16. AMENDMENTS

The Board of Directors, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned, This Policy is subject to continuous review and updates as required from time to time.
