

# **ANSAL HOUSING & CONSTRUCTION LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **1. Guiding Principle**

CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations. CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operation and growth.

### **2. Background**

Ansal Housing & Construction Limited (AHCL / the Company) over the past several years of its existence has been socially responsible and has voluntarily undertaken various Corporate Social Responsibility initiatives even when there were no legal and statutory requirements in this regard.

At AHCL, social responsibility starts from the top management level itself and percolates down till the junior-most level. The Company strongly believes that apart from extending regular financial help to the needy, poor, weaker and less privileged sections of the society, the most effective way of discharging the Corporate Social Responsibility by a Company shall be to adopt a business policy which includes actions and initiatives that are not though mandated by any statutes but are voluntarily taken so as to benefit the whole society.

Taking cue from the above mentioned principles, all projects are planned and executed by the Company as Go-Green Projects, which includes providing maximum green cover, facilities like rain water harvesting, proper utilization of ground water in the various projects. In almost all AHCL projects, we have developed units exclusively for those belonging to the Economically Weaker Sections of our society. At Ansal Housing, we have voluntarily reduced the usage of paper to the maximum possible by using online facilities to send all official communication to our customers on a regular basis. We have also resorted to online facilities for all our internal communication like inter-office memos, all employee claims, all official notifications to employees etc. This way the Company has done its bit for the conservation of our environment by helping in preserving more trees.

As a Responsible Corporate Entity, the Company takes a pride in providing essential necessities of life like food, clothes & shelter to the needy and poor, including the labourers working at various sites. Distribution of blankets by the

Company to all its contractual workers working at various sites every year in the month of November/December enabling them to protect themselves from the cold has been a regular phenomenon for years. The members of the management contribute to society through contributions to various charitable organizations who in turn pass on the articles purchased with these contributions to the less fortunate sections of our society. AHCL runs educational institutions under the aegis of Suraj Kumari Charitable Trust where children of parents belonging to the weaker sections of the society are given free education.

### **3. CSR Vision Statement and Objective**

3.1 Our mission is 'Enriching Living Styles' by transforming urban landscapes into sustainable communities. In addition to the investments in the current CSR initiatives which are mostly in the areas of education, hunger eradication, preventive health care and environment, which also include sustainability initiatives to reduce energy and resource use, our other endeavour is inclusive development at all our project locations to help the communities that live around these projects prosper in all walks of life.

#### **3.2 The objective of this policy is to:**

- Promote a unified approach to CSR to incorporate under one umbrella the diverse range of the philanthropic activities, thus enabling maximum impact of the CSR initiatives.
- Ensure an increased commitment at all levels in the organization, to operate in an economically, socially and environmentally responsible manner while recognising the interests of all its stakeholders.
- Encourage employees to participate actively in the Company's CSR and give back to the society in an organised manner through the employee volunteering programme.

### **4. Scope and Applicability**

This policy shall be applicable to AHCL and shall be effective from the date of approval by the Board of Directors of the Company.

### **5. Policy Statement**

#### **5.1. Core Ideology**

For AHCL, responsible business practices include being responsible for our business processes, products; and engaging in responsible relations with employees, customers and the community. Hence for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances

but create social and environmental value while supporting the company's business objectives and reducing operating costs; and at the same time enhancing relationships with key stakeholders and customers.

## **5.2. Total Outlay for each financial year**

The Company in every financial year commencing from 1st April, 2014 in line with the Companies Act 2013, pledges to spend, atleast 2% of the average net profits made during the three immediately preceding financial years specifically towards CSR initiatives.

## **5.3. Allocation of Resources & Thrust Areas**

The CSR Committee of the Board of the Company will manage 2% of the average net profits made during the three immediately preceding financial years to undertake CSR initiatives which meet the needs of the local communities where we operate. Our commitment to CSR will be manifested by investing resources in any of the following areas:

- Eradicating hunger, poverty and malnutrition, promoting 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;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- 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;
- 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;
- Measures for the benefits of armed veterans, war widows and their dependents;

- Training to promoter rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- 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 Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects
- Slum area development

However, the Company shall give preference to spending on "promoting education" and "setting up old age homes". The CSR Committee shall review from time to time the CSR activities to be undertaken by the Company and recommend the same to the Board of Directors.

AHCL may make contributions to the corporate foundations/Trusts, either towards its corpus or directly for its projects and may also itself undertake CSR activities.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the company.

#### 5.4. **Implementation**

AHCL has constituted a CSR Committee of the Board consisting of 4 directors and the mandate of the said CSR Committee is:

- to formulate and recommend a CSR policy to the Board
- to recommend amount of expenditure to be incurred on CSR activities;
- to monitor the CSR policy of the Company from time to time.

The Board of Directors will ensure that the activities included in the CSR policy are undertaken by the Company and ensure that the Company spends, in every financial year atleast two percent of the average net profits of the Company made during three immediately preceding financial years and ensure that the Company gives preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. In case the Company fails to spend such amount, the Board's report shall specify the reasons for not spending the amount.

A formal process of approving projects that the Company will support will be put into place with each project being vetted by the CSR Committee. While CSR programmes may be identified by the CSR Committee and Company's CSR team, the CSR Committee will also evaluate projects submitted directly by reputed not for profit organizations having an established track record of at least three years in carrying on the specific activity. To ensure that there is focus and maximum impact, the CSR Committee will endeavour to work on fewer projects over a longer period of time so as to ensure that the outcomes of the projects can be measured. All CSR project proposals will need to be submitted at the beginning of each financial year.

The CSR Committee will convene half year meetings to review the progress of varied CSR projects in terms of both outcome assessment and financial monitoring. The CSR Committee will review the strategy from time to time and may choose new focus areas and projects as and when required.

In order to ensure transparency and communication with all stakeholders, the CSR Committee will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Directors' Report of the Company's Annual report and on the Company's website.

Further employee participation in CSR projects will be encouraged and supported through the appropriate platform.

#### **5.5. Executing Agency/Partners**

CSR initiatives will be undertaken by the local CSR Teams of Company or CSR consultants with the active involvement of employees with other Not For Profit Organizations having an established track record of at least three years in carrying on the specific activity.

The CSR activities may also be undertaken by Company through their own or subsidiary or associate company's registered society or trust or a Section 8 Company. The CSR activities may also be undertaken in collaboration with other companies where such collaborating companies are in a position to report separately as per the reporting requirements under the Companies Act, 2013 and Rules thereunder.

The following minimum criteria will be ensured while selecting NGOs/voluntary organizations for programme execution:

- The NGO is a registered Society / Public Charitable Trust
- The NGO has a permanent office / address in India

- The NGO has a valid Income Tax Exemption Certificate
- The NGO has submitted a detailed project proposal and budget which has been approved by the CSR Committee.

Any modifications / changes to this Policy shall be made only with the approval of the Board of Directors of the Company on the basis of recommendation made by the CSR Committee.

**Sd/-  
Deepak Ansal  
Chairman & Managing Director  
Ansal Housing & Construction Ltd.**

Date : 06.02.2015