
CSR Policy

1. INTRODUCTION

Agrasen Engineering Industries Limited (hereinafter referred to as “Agrasen” or “AEIL”) has adopted Corporate Social Responsibility (CSR) initiatives with its overall commitment to maintaining the highest standards of business performance. We recognize that our business activities have direct and indirect impact on the society. AEIL works towards improving education, supporting primary education, through its group Company Scion Exports Private Limited. 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. OBJECTIVE

AEIL CSR policy intends to:

- I. Create economic value and to actively contribute toward the development of a sustainable society by taking up projects for the common good through responsible business practices and good governance.
- II. Embrace responsibility for the Company’s actions and encourages a positive impact through its activities on environment, communities, stakeholders and the society.

3. FOCUS AREAS

In accordance with the requirements under the Companies Act, 2013, Agrasen CSR activities will focus on:

- I. EDUCATION: Adopting Institutions, promoting education, and employment-enhancing vocational skills especially among children, and livelihood enhancement projects; monetary contributions to academic institutions for establishment infrastructure with the objective of assisting students in their studies.
- II. ENVIRONMENTAL SUSTAINABILITY: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- III. RURAL DEVELOPMENT: Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- IV. HUNGER, POVERTY, MALNUTRITION AND HEALTH: Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.

4. UNDERTAKING CSR ACTIVITIES

AEIL will undertake its CSR activities, approved by the CSR Committee, through any entity or organisation as approved by the CSR Committee. The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.

5. APPLICABILITY

AEIL Corporate Social Responsibility (“CSR”) policy has been developed pursuant to Section 135 of the Companies Act 2013 and relevant rules prescribed therein (“Act”).

6. RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the CSR Committee include:

Formulating and recommending to the Board of Directors the CSR Policy and including activities to be undertaken, Recommending the amount of expenditure for the CSR activities, and Monitoring CSR activities from time to time.

7. GOVERNANCE

The Company through a registered trust or a registered society can undertake CSR activities as per the provisions of the Companies Act, 2013. Accordingly AEIL or such other entity will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. AEIL or such other entity will assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines. AEIL or such other entity will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures on a periodic basis.

8. CSR EXPENDITURE

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

9. IMPLEMENTATION

The Company's CSR programmes will be identified and implemented according to this policy.

The Company will ensure every programme has:

- I. Clearly defined objectives consistent with this policy.
- II. A system for monitoring actual spending by the grantees.
- III. Impact assessment
- IV. A reporting framework and system in alignment with the Act

The Company will implement its CSR programs on its own or through eligible third parties. Project activities identified under CSR are to be implemented by specialized agencies, which could include: Voluntary Organizations (VOs), NGO's, Panchayat, Zila Parishad etc.

10. EVALUATION, MONITORING AND REPORTING FRAMEWORK

I. EVALUATION

Prospective programmes shall be presented to the CSR Committee for evaluation. The proposals shall set out proposed budget, social need for the programme and benefits expected.

II. MONITORING

Programme monitoring mechanism will ensure:

- The CSR policy is implemented as per the Act
- The CSR policy is implemented ensuring that all programmes are duly carried out as budgeted

CSR spends will be closely monitored and funds shall be released against verifiable utilizations as per the approved work plans.

III. REPORTING

The CSR Committee will prepare the annual CSR report and present for approval of the Board. This report will ensure that CSR programmes are being properly documented.

11. GENERAL

In case to any doubt with regard to any provision of the policy and also in respect of any matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation and decision of the Committee shall be final; Any or all provisions of the CSR policy would be subject to revision/amendment in accordance with the guidelines on subject as may be issued from Government, from time to time; The CSR Committee reserves the right to modify, add or amend any of provisions of this policy subject to approval of Board.

12. DISCLOSURE

The contents of the approved CSR Policy shall be disclosed in the Board's Report and displayed on the Company's website.

13. EFFECTIVE DATE

This Policy is effective from April 1, 2014