

## **CORPORATE SOCIAL RESPONSIBILITY POLICY OF AIA ENGINEERING LIMITED**

CSR Policy is inspired by the words "*What is that life worth which cannot bring comfort to others*". While pursuing our business strategy of introducing products, the Company operates in a manner that not just continues to generate an attractive return for shareholders, but also minimizes our impact on the environment and helps in replenishing the planet; while lending a helping hand to the community.

### **A. OUR CSR VISION:**

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

### **B. OUR CSR MISSION:**

1. Ensuring socio-economic development of the community through different participatory and need- based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become **SELF-RELIANT** and build a better tomorrow for themselves.
2. Ensuring environmental sustainability through ecological conservation and regeneration, protection & re growth of endangered plant species, and promoting biodiversity.

### **C. DEFINITIONS:**

In this policy, unless the context otherwise requires:

- a) "Act" means the Companies Act 2013, including any modifications, amendments or re-enactment thereof.
- b) "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 / Company which is formed by the Company or its holding or subsidiary Company / Companies.
- c) "Board" means the Board of Directors of the Company.
- d) "Company" shall mean AIA Engineering Ltd. and wherever the context requires, shall signify the Company acting through its Board.
- e) "CSR Annual Plan" means the Annual Plan detailing the CSR expenditure for the year.

- f) "CSR Committee or Committee" means the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more director, out of which at least one director shall be Independent Director.
- g) "CSR Policy" means the present Corporate Social Responsibility Policy of the Company which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.

**D. OUR ACTIVITIES:**

The CSR activities we pursue will be in line with our stated Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

The **focus areas** where special Community Development programmes would be initiated are:

**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 centers 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 feticide through awareness creation,
- program for preventing diseases and building immunity,
- providing for mentally retarded, blind children and socially weak people for reducing inequalities faced by the society;
- providing aids for disaster Relief

**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.
  - Renewable Energy Projects
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, drivers training for road safety.
5. **In addition, the Company has identified the following areas for Community Development interventions:**
- a) **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.
  - Promotion of Road Safety through CSR
  - Providing Consumer Protection Services like grievance redressal mechanism, health safety etc.
- b) **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
6. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
7. **Other Activities which may be undertaken by the Company:**
- 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.
- Any other activity which the Company may feel to undertake within the meaning of CSR policy as defined and mentioned under Schedule VII to the Companies Act, 2013 as amended from time to time.

#### **8. Incidental Activities.**

Employing people and incurring other costs to carry out aforesaid activities.

#### **E. OUR APPROACH TO IMPLEMENTATION:**

The Company will strive to implement the aforesaid CSR activities, which would include:

1. Collaborating with various organization, which are registered as a Trust or a section 8 company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India that specialize in the aforesaid activities.
2. Contribution to various funds which are aligned with our Vision and Mission e.g.
  - Prime Minister's National Relief Fund
  - Any other fund set up by the Central Government for :
    - socio-economic development and relief.
    - for the welfare of Scheduled Castes, the Scheduled Tribes, other Backward classes, minorities and women.
3. Collaborating or pooling resources with other companies to undertake aforesaid CSR activities.

#### **F. CSR FUNDS:**

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- The CSR Committee shall prepare a CSR Annual Plan for the above which shall include"
  - a) Identified CSR Projects
  - b) CSR expenditure
  - c) Implementation Schedules
- Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.

- 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 Board shall specify the reasons for the same in its report in terms of Clause (o) of sub-section (3) of Section 134.
- surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

**G. MONITORING:**

The CSR department will provide regular progress report to the CSR Committee of the Board. This report would indicate:

- 1) Achievement since last progress report / during the last quarter in terms of coverage compared to the target and reasons for variance.
- 2) Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR Committee/Board to overcome the shortfalls.
- 3) Actual year-to-date spends compared to the budget and reasons for variance.

**H. DUTIES AND RESPONSIBILITIES:**

**a) Board of Directors:**

The Board shall in its Report include the Annual Report on CSR Projects as per the format provided in the Annexure to the Rules.

**b) CSR Committee:**

- i) The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet as and when required.
- ii) In discharge of CSR functions, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee as may be required by the Board.
- iii) The CSR Committee shall place before the Board the draft annual report as per the format in Annexure to the Rules in the Board meeting in April / May of the following year for the Board review and finalization.
- iv) The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan are displayed on the Company's website.

**I. REVIEW PERIODICITY AND AMENDMENTS:**

- i) CSR Plan may be revised / modified / amended by the CSR Committee at such intervals as the Committee may deem fit.
- ii) The CSR Committee shall review the Policy every two years unless such revision is necessitated earlier.

For AIA Engineering Ltd.

Sd/-

Managing Director