

ASIATIC ELECTRICAL & SWITCHGEAR PVT. LTD.

Corporate Social Responsibility Policy



Contents

1. Introduction 3

2. Definition.....3

3. CSR Vision Statement and Objective 4

 3.1. Vision Statement.....4

 3.2. Objectives.....4

4. Expenditure..... 5

5.CSR activity areas/ Scope..... 5

6. Implementation and Monitoring 7

 6.1. Implementation7

 6.2 Monitoring.....7

7. Role of the Board and CSR Committee..... 8

 7.1. Role of CSR Committee..... 8

 7.2 Role of the Board..... 8

8. Reporting and Disclosure 9

9. Annexures 10-11



1. INTRODUCTION

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Organizations have realized that government alone will not be able to get success in its endeavor to uplift the downtrodden of society. The concept of CSR has been looked upon as closely linked with the principle of sustainable economic development, which requires the organizations to make decisions not only based on financial factors but also on immediate and long term social & environmental consequences of their activities.

Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 and Schedule VII thereto along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter "CSR Rules),effective April 01, 2014.

This Corporate Social Responsibility Policy (hereinafter "CSR Policy) of Company (Asiatic Electrical & Switchgear Pvt. Ltd.) has been prepared pursuant to Section 135 of the Companies Act, 2013 and the CSR Rules. This CSR policy should serve as the referral document for all CSR-related activities at COMPANY. It is approved by the Board of Directors on 28th January, 2015.

2. DEFINITIONS:

- a) "Act" means the Companies Act, 2013.
- b) "Corporate Social Responsibility (CSR)" means and includes but is not limited to:-
 - i) Projects or programs relating to activities specified in Schedule VII to the Act; or
 - ii) Projects or programs relating to activities undertaken by the Board of Directors of COMPANY in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of COMPANY subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- c) "CSR Policy" relates to the activities to be undertaken by COMPANY as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of COMPANY, if any;
- d) "Net profit" means the net profit of COMPANY as per its annual financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :-
 - i) any profit arising from any overseas branch or branches, if any, of the company, whether operated as a separate company or otherwise; and
 - ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act:

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act.

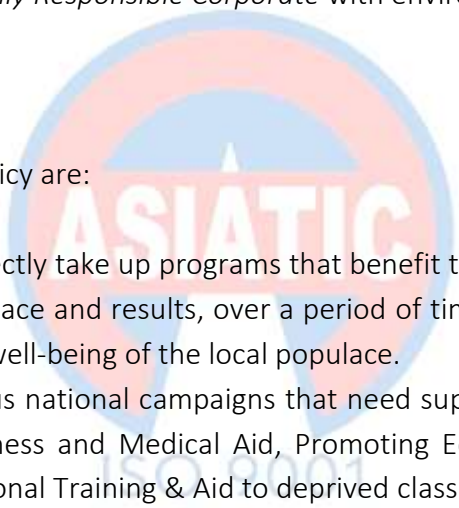
3. CSR VISION STATEMENT & OBJECTIVE

3.1 Vision Statement

In alignment with the vision of the company, Asiatic, as its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community in fulfillment of its role as a *Socially Responsible Corporate* with environmental concern.

3.2 Objective

The main objectives of CSR Policy are:

- 
- i) To directly or indirectly take up programs that benefit the communities in and around COMPANY's workplace and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
 - ii) There are numerous national campaigns that need support to have a greater impact e.g. Health Awareness and Medical Aid, Promoting Education, Poverty and hunger eradication, Vocational Training & Aid to deprived class.
 - iii) Ensure commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interest of all its stakeholders.
 - iv) Create Awareness about the company and build its public profile.

4. Budget

A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy. In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount. Approving authority for the CSR amount to be spent would be the Managing Director after due recommendation of CSR Committee and approval of the Board of Directors of the Company. The CSR Policy mandates that the surplus

arising out of the CSR projects or programs or activities shall not form part of the business profit of a company. The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013. Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

5. CSR ACTIVITY AREAS/ SCOPE

5.1 Asiatic will implement its CSR activities in accordance with Section 135 of the Companies Act 2013 and the Rules notified thereafter.

5.2 COMPANY may join hands and the resources for undertaking CSR activities with any other Company or with any Civil Society Organizations or Government bodies or registered trusts or registered society or Section 8 companies, etc. or otherwise:

Provided that-

- a) if such trust, society or company or other entities is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of at least three years in undertaking similar programs or projects;
- b) COMPANY has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

5.3 COMPANY may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the CSR Rules.

5.4 CSR projects or programs or activities undertaken in India only shall amount to expenditure towards CSR activities. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.

5.5 COMPANY may build CSR capacities of its own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year.

5.6 Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR activity.

5.7 As per the Schedule VII read with Section 135 of the Companies Act, 2013, the following activities would be allowed as a part of CSR activities by COMPANY:

- i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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, 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;
- 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;
- v) 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;
- 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.

6. IMPLEMENTATION AND MONITORING

6.1 Implementation

a) The Company's CSR programmes will be identified and implemented according to the Board's approved CSR policy. The COMPANY may constitute a Committee of Executives (COE) in place to support the CSR Committee. The role and structure of the COE can be determined and changed by the CSR Committee and/or the Board of Directors, from time to time. COE shall be headed by the Managing Director. The COE may consist of the official from the following positions:

1. Finance Head
2. Company Secretary

For effective compliance, execution, supervision and reporting, the Managing Director will have a team of officials to assist him / her in co-ordination work, which will in no way detract from the importance of CSR and Sustainability work in which all the supervisory staff, in all departments, may be continuously engaged in.

The COE shall submit report/s regarding the progress in the implementation of CSR and Sustainability activities to the CSR committee from time to time. The Committee will, in turn, submit the reports to the Board of Directors for their information, consideration and necessary directions.

6.2 Monitoring

- a) Monitoring shall be done periodically with the help of identified key performance indicators; the periodicity being determined largely by the nature of performance indicators. Monitoring mechanisms should have periodic feedbacks with recourse to mid-course correction in implementation, whenever required.
- b) Actual disbursements shall be linked to the progress on the ground.

7. ROLE OF CSR COMMITTEE, QUORUM AND THE BOARD

7.1 Role of the CSR Committee

"Pursuant to the provisions of section 135 of the Companies Act 2013, read with Corporate Social Responsibility Rules 2014 and other applicable provisions thereof, the Companies covered under this section shall have Corporate Social Responsibility Committee consisting of three or more Director.

Therefore, Company will constitute Corporate Social Responsibility committee in due compliance of the aforesaid provisions of the Companies Act, and shall give disclosure on the website of company.

Company Secretary of the Company shall act as Secretary of the Corporate Social Responsibility Committee.”

The Corporate Social Responsibility Committee shall:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to Companies Act, 2013;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; and
- c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

7.2 Quorum

- a) The quorum necessary for the transaction of business at the meeting/s of the CSR Committee shall be 1/3rd of its total strength or two directors, whichever is higher. A duly convened meeting of the Committee, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

7.3 Role of the Board

The Board shall:

- a) after taking into account the recommendations made by the CSR Committee, approve the Corporate Social Responsibility Policy for COMPANY and disclose contents of such Policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed;
- b) ensure that the activities as are included in Corporate Social Responsibility Policy of COMPANY are undertaken by the Company;
- c) ensure that the Company spends, in every financial year, at least two percent of its average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy, provided that the Company shall give preference

to the local area/s around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

- d) If the Company fails to spend such amount, the Board shall, in its report made under clause (o) of Sub-Section (3) of Section 134 of the Companies Act, 2013, specify the reasons for not spending the amount.

8 REPORTING AND DISCLOSURE

The Board's Report of Company for the financial year commencing from 1st day of April, 2014 shall include an annual report on CSR containing particulars as specified in the Annexure to the CSR Rules, 2014 (annexed herewith).

9 Annexures



|

Annexure

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs.
2. The composition of CSR Committee.
3. Average net profit of the Company for last three financial years.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)
5. Details of CSR spent during the financial year;
 - a) Total amount to be spent for the financial year ;
 - b) Amount unspent, if any;
 - c) Manner in which the amount spent during the financial year is detailed below.

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1							
2							
3							
4							
5							
6							
	Total						

*Give details of implementing agency:

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

