

A.G. Industries Private Limited
CSR Policy

1. CONCEPT:

1.1 CSR VISION:

Sustained growth for the society and community.

1.2 CSR MISSION:

- i. Education
- ii. Women Empowerment
- iii. Sanitation
- iv. Health Care
- v. Community Development

1.3 SHORT TITLE & APPLICABILITY:

This CSR policy (“the policy” or “CSR Policy”), which encompasses the company’s philosophy for delineating its responsibility as a *corporate citizen* and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the ‘A.G. Industries CSR Policy’.

This policy shall apply to all CSR initiatives and activities taken up at the various units/undertakings/factories of A.G. Industries Private Limited (“the Company”), for the benefit of different segments of the society specifically the deprived, underprivileged and differently abled persons.

CSR Policy means a statement containing the approach and direction given by the board of a Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

1.4 OBJECTIVE:

- i. To ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- ii. To take up programmes that benefit the communities, in & around its units and that results in enhancing the quality of life & economic well-being of the local populace over a period of time.

iii. To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.

2. CSR SPEND APPROACH:

- The Board of the Company shall endeavour to spend in each Financial Year (FY), at least two per cent of the average net profits (calculated as per Section 198 of the Act) accrued during the three immediately preceding FY's on CSR projects/ programs/activities.
- If the amount mentioned above is not spent entirely, the reasons thereof must be specified in the Board Report and if the unspent amount relates to ongoing projects then the Board is required to transfer such unspent amount to a special account for that financial year called the Unspent Corporate Social Responsibility Account ("Unspent CSR Account") within a period of 30 days from the end of the financial year.

Further, if the amount does not relate to ongoing projects, the Board is required to transfer such amount to a Fund specified in Schedule VII within a period of 6 months of the expiry of the financial year.

Ongoing Project means a project undertaken by a Company in fulfilment of its CSR obligation which must be a multi-year project having a maximum duration of 3 years excluding the financial year in which it was commenced.

The board on reasonable justification may convert a project which was initially not approved as a multi-year project into ongoing project by extending the duration beyond one year.

- Any income or surplus arising out of CSR Activities, then that surplus should not form part of the business profit of a company and the same is required to be ploughed back into the same project or transferred to the Unspent CSR Account.
- CSR expenditure done over and above the statutory obligation in a financial year may be set off against the CSR obligation up to immediate succeeding three financial years.
- The total expenditure towards administrative and other overheads for the CSR projects or programmes or activities can not be more than 5% of total CSR fund.

3. MODE OF IMPLEMENTATION

The Board of Directors of the Company may decide to undertake its CSR activities through one or more of the following modes:

- (a) directly by the Company; or
- (b) through a Company established under Section 8 of the Act or a registered public trust or a registered society, established by the Company, either singly or along with any other company, or
- (c) through a 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
- (d) Any entity established under an Act of Parliament or a State legislature, or
- (e) A company established under section 8 of the Act, or a registered public trust or a registered society, other than established by the Company itself, and having an established track record of at least three years in undertaking similar activities;
- (f) A 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.

The CSR Committee will decide implementation schedule depending upon each CSR project or activity.

4. SCOPE:

The Company can undertake only such activities as are specified in Schedule VII to the Companies Act, 2013. The Company shall give preference to the local areas around which it operates, for spending the amount earmarked for CSR and shall endeavour to expand its outreach/scope to other areas, in the interest of community. These activities include as under:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of Sanitation and making available safe drinking water.
- ii. Promoting education, including special education and employment enhancing vocation 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports
- viii. Contribution to 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women.
- ix. (a) 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; and

(b) 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).

- x. Rural development projects
- xi. Slum area development
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.
- xiii. Any other activity (ies) as specified by the Ministry of Corporate Affairs from time to time or included in Schedule VII of the Act.

- xiv. The above CSR Activities are in alignment with Schedule VII of the Companies Act, 2013 (“Act”) and is subject to revision in the event of any amendment to the applicable law or otherwise. It shall also be subject to amendment that may be made by the Company, in accordance with the provisions of this CSR Policy, and the applicable law.

5. EXCLUSION

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Annual Action Plan and the CSR Policy of the Company.

However, the following activities shall not be included under CSR:

- a. CSR projects that benefit only the employees of the Company and/or their families shall not be considered as CSR Activities, within the purview of this Policy and section 135 of the Companies Act, 2013 read with the CSR Rules.
- b. Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- c. Contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act, 2013;
- d. Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- e. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- f. Activities carried out for fulfilment of any other statutory obligations under any law in force in India;

6. MONITORING AND FEEDBACK:

To ensure effective implementation of the CSR programmes undertaken at each work centre, the same will be monitored by Corporate Social Responsibility (“CSR”) Committee from time to time. The CSR Committee has power to appoint authorized officials, employees of the Company, any consultant and professional to monitor CSR programmes. CSR initiatives of the Company will also be reported in the Annual Report on CSR activities forming part of the Board’s Report of the Company. Also, the Board of a Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

7. GOVERNANCE:

7.1 CSR COMMITTEE- ROLE & RESPONSIBILITIES:

- Formulating and periodically review/monitor the CSR Policy as may be required as per the provisions of the Companies Act, 2013 from time to time which shall indicate the projects/ programmes/activities to be undertaken by the Company as specified in Schedule VII of the Act and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.
- The CSR Committee shall ensure to take appropriate measures to undertake and implement CSR projects/programmes/activities successfully and shall monitor the CSR Policy from time to time.
- The CSR Committee shall identify the areas as well as monitor and review the performance of CSR projects/programmes/activities periodically.
- The CSR Committee shall recommend the amount of expenditure/CSR budget to be incurred on CSR projects/programmes/activities as well as regularly report and make recommendations to the Board.
- To recommend Annual Report on CSR activities.
- To review and submit impact assessment reports, if applicable as per law.
- The CSR Committee of the Board shall meet as and when required.
- The CSR Committee shall formulate Annual Action plan and recommend the same to the Board. The Annual Action Plan may be altered at any time during the financial year, based on the reasonable justification to that effect and recommend the same to the Board for its approval.
- Such other functions as mandated by the Board of Directors or as mandated under the Act and the rules made thereunder.

7.2 BOARD OF DIRECTORS- ROLE & RESPONSIBILITIES

The functions of the Board shall inter-alia include the following:

- The Board shall ensure that the CSR activities are undertaken by the Company in adherence to this policy.
- The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- In case of on-going project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modification if any, for smooth implementation of the project within the overall permissible time period.
- The Board may approve Annual Action plan and thereafter may alter the same at any time during the financial year.

- The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- If the company spends an amount in excess of mandated amount under the Act, such excess amount may be set off against up to immediate succeeding three financial years or such period as prescribed by the law.
- such other functions as may be required under the Act.

7.3 ANNUAL ACTION PLAN

The Annual Action plan to be carried out during a financial year shall be formulated by the CSR Committee and shall be recommended to the Board for the approval. The Board of Directors on recommendation of the CSR Committee may alter the plan at any time during the financial year based on the reasonable justification to that effect.

Following shall be included in Annual Action Plan:

- CSR Projects/ Programmes/ Activities to be undertaken in area or subjects specified in Schedule VII of the Act;
- Type of Project - (On-going Project / One-time or Annual Project);
- Year wise allocation in case of on-going project;
- Manner of Execution (i.e. by Company itself or through implementing agency);
- Implementation Schedules / Timeline for On-going Project;
- Modalities of Utilisation;
- Monitoring & Reporting of CSR Projects/ Programmes/ Activities (i.e. quarterly / half yearly / annually and the manner of monitoring);

7.4 CSR ACTIVITIES IN INDIA ONLY

Expenditure to be made in respect of CSR activities will be incurred in India only or as provided in the law.

8. CONSTITUTION OF CSR COMMITTEE:

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of two or more directors as per the provisions of the Companies Act, 2013 read with rules made thereunder. The Board of Directors of the Company can also re-constitute the CSR Committee, as and when required from time to time.

If the Annual CSR statutory obligation does not exceed Rs. 50 lacs during the particular financial year, the Board of Company may dissolve the CSR committee and such other roles and responsibilities of CSR committee shall be discharged by the Board, as may be required for the purpose of CSR.

9. DISCLOSURE

The Company shall make disclosure of its CSR Policy, Projects/Programs/activities approved by the Board and such other details, as required under the Act from time to time on Company's website.

10. EFFECTIVE DATE

This policy supersedes the previous CSR policy and will be effective for the financial year 2021-22 and onwards.

Any subsequent amendment/modification in regard to CSR provisions/rules notified by the Ministry of Corporate Affairs, shall automatically apply to this Policy. In case any provision(s) of this CSR Policy is contrary to or inconsistent with the provisions of the Act and the Rules framed thereunder ("Statutory Provisions"), the Statutory Provisions shall prevail.

For A.G. Industries Private Limited

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**Geeta Anand
(Chairperson and Managing Director)**