

ASHOKA BUILDCON LIMITED

Corporate Social Responsibility (CSR) Policy

Preamble

This 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 programs for welfare & sustainable development of the community at large, is titled as the Corporate Social Responsibility (CSR) Policy of the Company (CSR Policy).

The CSR policy sets out the approach and direction given by the Board of Directors of the Company, taking into account the recommendations of its CSR Committee, and the guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

Vision

Our vision is "To actively contribute to the social and economic development of the community in which we operate". In doing so, we build a better, sustainable way of life for the weaker sections of society and raise the country's human development Index. In alignment with vision of the company, Ashoka, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth & economic development for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern.

Our Board of Directors, Senior Management and all employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR Policy.

Key Definitions:

"CSR Policy" means this document, which is 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 from the Companies Act 2013 and the rules thereunder, as amended from time to time, for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

"Ongoing Project" means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

“Corporate Social Responsibility (CSR)” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Companies Act 2013 in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Rules 2014 (CSR Rules), but shall not include the following, namely:-

- i. Activities undertaken in pursuance of normal course of business of the company;
- ii. 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;
- iii. Contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act 2013;
- iv. Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages 2019;
- v. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
- vi. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

CSR Activities:

1. The Company shall undertake its activities in accordance with extant law, and shall be focused on any of the following areas:
 - Eradicating hunger, poverty and malnutrition, promoting health care including 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, woman, 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 back ward groups;
 - Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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 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;
 - Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports; and
 - Contribution to the 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 social-economic development and relief

and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- 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 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).
- Rural development projects;
- Slum area development

Explanation - For the purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force;

- Disaster management including relief, rehabilitation and reconstruction activities; and
- Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.

2. The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.
3. Based on the recommendations of the CSR Committee and the annual action plan, the Board shall approve the CSR activities of the Company for a given financial year.

CSR Committee

1. Pursuant to the provisions of section 135 of the Companies Act 2013, the Board of Directors constituted the Corporate Social Responsibility (CSR) Committee.
 2. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least three or more Directors, out of which at least one director shall be an independent director.
4. CSR Committee has been reconstituted as follows w.e.f. May 24, 2023, as per approval of the Board obtained at its meeting held on May 24, 2023.

Mr. Satish Parakh

Mr. Gyan Chand Daga

Mr. Sanjay Londhe

Managing Director - Chairman

Non-Executive-Independent Director - Member

Whole-time Director - Member

Functions and Powers of the CSR Committee

1. The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Companies Act 2013 and the CSR Rules.
2. Without prejudice to the generality of the foregoing, the CSR Committee shall be responsible for the following activities:
 - a. Formulating and recommending CSR activities to the board of directors, in compliance with provisions of the Companies Act 2013 and the CSR Rules;
 - b. Identifying Projects/activities, setting measurable physical targets with time frame, for undertaking CSR;
 - c. Recommending amount of expenditure and effectively CSR budget;
 - d. Spending the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Companies Act 2013 and the CSR Rules and to take periodical review for improving / upgrading CSR strategies;
 - e. Creating transparent monitoring mechanism for implementation of CSR initiatives;
 - f. Submitting the reports to the Board in respect of the CSR activities undertaken by the Company;
 - g. Monitoring CSR policy of the Company; and
 - h. Formulating annual action plan, in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items, and which the Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.:
 - i. the list of CSR projects or programmes that are approved to be undertaken in are as or subjects specified in Schedule VII of the Act;
 - ii. the manner of execution of such projects or programmes;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the company.

Manner of implementation

1. The applications, representations received from community representatives, NGO's, Gram Panchayat/s or Govt. agencies requesting assistance for a work to be taken up or the Company on its own identifying a work for execution, will be taken into consideration by the CSR Committee while recommending CSR activities that may be undertaken by the Company.
2. The CSR Activities may be undertaken by the Company directly or with the prior approval of the Board, through any of the following entities as "Implementation Agency" being duly registered with the Central Government. and having a unique CSR Registration Number (with effect from 1 April 2021):

- a. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society (registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company;
 - b. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government;
 - c. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society (registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar CSR activities; or
 - d. Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature.
3. The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to inter alia verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.
 4. The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

CSR Budget

1. The total budget for the CSR projects in each financial year will be decided by the CSR Committee in accordance with applicable provisions of the Companies Act 2013 and the CSR Rules.
2. The CSR Committee shall propose to distribute the budget among the areas to emphasize or such of them as the CSR Committee may deem fit in each financial year, in such proportion and in a manner that meets the objectives of the CSR Policy. The said Budget will be recommended by CSR Committee for the Board to approval.
3. For any reason if the CSR team is not able to follow the allocation agreed on in any of the areas to emphasize described above, the same shall be utilized in such other areas to emphasize as the CSR team may recommend with the reasons therefor, and the CSR Committee may approve.
4. Dedicated CSR team shall be constituted from among the employees at the Company for implementing the CSR Policy and shall work under the guidance of CSR Committee and will be mainly responsible for:
 - ✓ Execution of CSR Policy;
 - ✓ Identify projects and key initiatives pursuant to CSR Policy;
 - ✓ Facilitating allocation of funds to the projects as identified for CSR activities;
 - ✓ Monitoring CSR Projects to establish effectiveness of CSR efforts and appraise the same to CSR Committee;
 - ✓ Compilation of information & preparation of Annual Reports on CSR activities and presenting the same to CSR Committee; and

- ✓ Any other activity necessary to ensure achievement of CSR objectives.
5. The Board is required to satisfy itself that CSR funds have been utilised for the purposes and in the manner as approved by it. The chief financial officer (or any other person responsible for financial management) needs to certify that CSR funds are utilised for purpose.
 6. In case of ongoing project, the CSR Committee is required to monitor the implementation and has been provided the authority by the Board to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
 7. If the total CSR obligation of the Company in the three (3) immediately preceding financial years is INR 10 Crore or more, then an impact assessment needs to be made by any external agency for each of the CSR project having outlays of INR 1 Crore or more, and which have been completed not less than one year before undertaking the impact study.

Monitoring

1. The CSR Team will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc.
2. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project.

Reporting

1. The CSR Committee of the Board, based on reports presented by the CSR Team, will annually publish report on the CSR projects as a part of the Board's Report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013.
2. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.
3. This CSR Policy applies to all CSR projects that will be undertaken by the Company and shall fulfil all the requirements of Section 135 of the Companies Act 2013. The Company shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act 2013. This Policy will be periodically reviewed and updated in line with the relevant codes of legislation and best practices that can be adopted by the Company.
4. Further, the Board of Directors may revise/ amend this CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.

5. The CSR Policy on being approved by the Board, along with the composition of the CSR Committee, and CSR projects approved by the Board, shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.
