

**AEONX DIGITAL TECHNOLOGY LIMITED**  
**(CIN: L62099MH1992PLC069615)**  
**(FORMERLY KNOWN AS ASHOK ALCO-CHEM LIMITED)**

**Corporate Social Responsibility (CSR) Policy**

Amended on 10<sup>th</sup> February, 2021

## **1. CONTEXT**

Pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, every Company having

- (i) Net worth of Rs. 500 crore or more or
- (ii) Turnover of Rs. 1,000 crore or more or
- (iii) Net profit of Rs. 5 crore or more

during the immediately preceding financial year is required to comply with the provisions of CSR and shall constitute Corporate Social Responsibility Committee ('CSR Committee') and the CSR Committee shall formulate and recommend Policy.

The CSR Committee so constituted, formulated Policy on Corporate Social Responsibility (CSR Policy) and recommended the same to the Board of Directors of the Company ('Board') for its approval. The Board vide its resolution dated March 30, 2015 approved and adopted the CSR Policy with immediate effect.

### **1.1. Objectives of the Policy**

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, *inter-alia*, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate at least two percentage of the Company's 'Average Net Profits' made during the three immediately preceding financial years for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

### **1.2. Definitions**

In this Policy unless the context otherwise requires:

- (a) 'Act' means Companies Act, 2013, as amended from time to time;
- (b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy Rules 2014;
- (c) 'Ministry' means the Ministry of Corporate Affairs;
- (d) 'Net Profit' means net profit as defined in Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 as set out below:

Net Profit as per financial statement 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 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

- (e) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

### **1.3. CSR Activities**

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules 2014:

1. eradicating hunger, poverty and malnutrition, promoting health care including 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;
2. promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. promoting gender equality, empowering women, setting up homes and hotels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. 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;
5. 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;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
8. contribution to 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 Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects;
11. Slum area development.

'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

#### **1.4. The Geographic reach**

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in the states of Maharashtra, Gujarat, and such other state(s) in India wherein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

#### **1.5. Annual spends/Allocation of Funds**

1.5.1 The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

1.5.2 The amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of this Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account. The said unspent amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

1.5.3 In case the Company fails to spend all or any part of the budgeted amount in a financial year, the Board of Directors of the Company shall specify the reasons for the same in its Report to the Shareholders of the Company unless the unspent amount relates to any ongoing project referred in above paragraph and transfers such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

1.5.4 The Company may undertake CSR Activities through a registered trust or society or company, established by the company or its holding or subsidiary or associate company under section 8 of the Act. Provided that, if trust, society or company is not established by company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects.

1.5.5 However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

## **2. CSR COMMITTEE**

### **2.1. Guiding Principles for Constitution of CSR Committee**

The CSR Committee will consist of three or more directors, out of which at least one director shall be an independent director.

The Committee will meet, whenever required, to discuss and review CSR activities and Policy. Quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

The Committee members may attend the meeting physically or via such audiovisual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

### **2.2 Scope of Functions of CSR Committee**

The functions / terms of reference of CSR Committee will, inter-alia, include the following:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

## **3. PROCEDURES**

### **3.1 Funding**

As per the Act, the Company shall spend, in every financial year, at least 2% of the average Net Profits of the Company made during the three immediately preceding financial years.

If the Company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount.

### **3.2 Planning and Implementation**

The Company would undertake CSR projects which are closely linked to the principles of sustainable development and shared value, with the involvement of local institutions and the community at large.

The CSR Committee would assist in implementation and monitoring of the CSR projects/initiatives. The implementation of various initiatives would be through various implementing agencies viz NGOs, Trusts, Societies, Section 8 / section 25 companies etc.

### **3.3 Trust / Registered Company**

This Policy is applicable to all the CSR projects/programmes undertaken by the Company through Trusts which is having an established track record of three years in similar projects or programs.

### **3.4. Review and Reporting**

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors such intervals as deemed fit.

The Company will report the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April 2014.

## **4. MONITORING**

1. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Team and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
2. Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
3. The CSR Committee and persons / entities authorised by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
4. Based on analysis of current projects, carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.

## **5. AMENDMENTS TO THE POLICY**

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.