



ASIAN STAR

CIN: L36910MH1995PLC086017

114 C, Mittal Court, Nariman Point, Mumbai 400 021

INDIA Tel: +91 22 62444111, Fax: +91 22 22842427

Email: secretarial@asianstargroup.com, Website: www.asianstargroup.com

CORPORATE SOCIAL RESPONSIBILITY POLICY

Our vision:

“Bahujana hitaya, bahujana sukhaya” - “For the benefit of many, for the happiness of many...”
–Rigveda

India is one of the largest growing economies in the world. However, it continues to be deluged with various problems and challenges of poverty, health hazards, environmental degradation, illiteracy, poor educational standards, inadequate infrastructure, power crisis and the largest number of undernourished children which many believe, the root cause of social unrest.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. This approach also reaffirms the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

The concept and need for Corporate Social Responsibility (CSR) has gained prominence from all avenues. The Government as well as regulators has framed various guidelines pertaining to responsibilities of business as well as the mandatory Corporate Social Responsibility provisions under the Companies Act, 2013 and Rules made there under. In compliance with the same the Board of Directors has constituted the CSR Committee.

INTRODUCTION

This policy has been framed in accordance with the provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility along with the Companies (CSR) Rules, 2014.

This policy encompasses the company’s philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up not only at the various work-centres and locations of the Company but also in any other parts of the country, for the benefit of the society.

APPLICABILITY:

In every financial year, in which the Company has a Net worth of INR 500 Crores or more; or Turnover of INR 1000 Crores or more; or Net profit of INR 5 Crores or more it is required to spend 2% of the average net profits (Profit before tax) of the last three financial years on CSR activities.



ANNUAL SPENDS / ALLOCATION OF FUNDS

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, if any, 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.

The Company may build CSR capacities of its personnel and/or those of its 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.

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.

CSR COMMITTEE

CSR Committee will be a Board level committee known as Corporate Social Responsibility Committee. The constitution of CSR Committee is in accordance with the applicable provisions of the Act and comprises of three directors, out of which one director is an independent director.

The Committee will meet as and when required to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate.

The composition of the CSR Committee may be changed by the Board of Directors of the Company. The Company Secretary shall act as Secretary to the Committee.

The Committee shall formulate CSR Policy, recommend the amount of expenses to be incurred in each CSR activity/project/program and monitor CSR policy on annual basis.

Committee Members:

1. Mr. Arvind T. Shah (Chairman)
2. Mr. Vipul P. Shah (Member)
3. Mrs. Trapti Mehta (Member)

CSR ACTIVITIES AS PER SCHEDULE VII AND CSR RULES

The Policy recognises 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 focus areas as notified under Section 135 read with Schedule VII of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014.

- Projects or programs or activity which a company plans to undertake falling within the purview of the Schedule VII of the Act.
- Specifying modalities of execution of such projects or programs and implementation of the schedules for the same.
- The expenditure on CSR shall not include any expenditure on an activity not in conformity or not in line with activities which fall within the purview of Schedule VII



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of the Act.

A statement in CSR policy shall include:

- a. Two percent of the average net profits,
- b. Any income arising there from.
- c. Surplus arising out of CSR activities.

GUIDELINES FOR CSR ACTIVITIES / PROJECTS / PROGRAMS:

The Company may decide to undertake such CSR activities/projects/programs as may be recommended by the CSR Committee provided that -

a. The Company may also collaborate with other companies or donate to the registered trusts for undertaking projects or programs or CSR activities in such a manner that the CSR committee is in a position to report separately on such projects, programs or donations in accordance with the CSR Rules;

b. The CSR projects or programs or activities or contributions shall not only benefit the employees of the Company;

c. Company shall not contribute to any Political Party under CSR activities.

GUIDELINES FOR MONETARY CONTRIBUTIONS

In addition to the donations given to the registered trusts, the Company may decide to grant donations to a registered trust/ a registered society/a company established by the company or its holding or subsidiary or associate company under section 8 of the Act/by such institutions as mentioned in the Act: Provided that-if such trust, society or company is not established by the company or its holding or subsidiary or its associate company, it shall have an established track record of three years in undertaking similar programs or projects;

Accounting and reporting: 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. The report will be presented to the Committee at the end of each financial year.

Any surplus arising out of CSR projects/programs/activities shall not form part of the business profit. The Board's Report shall include CSR report in the prescribed format on an annual basis. The contents of CSR policy shall be displayed on the Company's website.

REPORTING

The Company will report, in the prescribed format, the details of CSR initiatives and activities of the Company in the Directors' Report (forms part of the annual report of the Company) which will be uploaded 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.

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 Act on the subject as may be issued from relevant statutory authorities, from time to time.