

AYM Syntex Limited
Corporate Social Responsibility (CSR) Policy

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AYM Syntex Limited

Corporate Social Responsibility (CSR) Policy

This policy which encompasses AYM Syntex Limited's (The Company's) philosophy towards Corporate Social Responsibility (CSR), lays down the guidelines and mechanism for undertaking socially relevant programs for the sustainable development of the community at large and complying with all the local regulations in that regard, is titled as the 'CSR Policy for AYM Syntex Limited.'

1. Applicability

This policy has been formulated in consonance with section 135 of The Companies Act 2013 on CSR and the CSR Rules as notified by the Ministry of Corporate Affairs in 2014. The Policy shall apply to all CSR projects / programs undertaken by the Company in India as per Schedule VII of the Act. This policy shall be applicable to AYM Syntex including all its divisions, and all the employees.

2. CSR Vision and Mission

AYM Syntex CSR Vision is to ***'Uplift the underprivileged from vicious cycle of poverty'***

AYM's strategic initiatives are holistic in nature which comprises interventions such as healthcare, nutrition, safe drinking water facilities, education, sustainable livelihood, rural development that eventually leads to sustainable transformation and social integration. AYM Syntex follows a ***'4S for social upliftment'*** model to achieve its Vision:

#1 Swasthya

Initiatives on safe drinking water

#2 Swabhimaan

Initiatives on education to uplift the underprivileged from the vicious cycle of poverty

#3 Sudhaar

Initiatives to support rural development

#4 Shrishti

Initiatives on environmental restoration

3. Definition of CSR

AYM Syntex defines CSR as events and activities undertaken by the Company, not as a part of its regular business but those that are desired by the larger community. CSR activities are not only a way to give back to the society but are also a way to achieve corporate sustainability.

4. CSR Governance structure

The CSR Governance structure will be headed by The Board of Directors and the Board Level CSR committee and CSR implementation team that will be ultimately responsible for the CSR projects undertaken. The table below shows the governance structure:



The roles and responsibilities of the Board of Directors shall be to:

- ✓ Form and/or alter the Composition and/or Dissolve the CSR Board Committee.
- ✓ Approve CSR policy, after considering the recommendations of the CSR Board Committee, causes that the Company proposes to support, programs to be undertaken by the Company, modalities of operation and the budget for the activities.
- ✓ Ensure that the activities included in CSR Policy are undertaken by the Company, although primary responsibility lies with the CSR implementation team.
- ✓ Ensure that the Company spends, in every financial year, at least two per cent of the average net profits or such amount as may be determined from time to time of the company made during the three immediately preceding financial years, in pursuance of this policy.
- ✓ Ensure that if the Company fails to spend such amount, specify the reasons for not spending the amount in its annual report.

The roles and responsibilities of the said CSR Board Committee shall be to:

- ✓ formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Act.

- ✓ recommend the amount of expenditure to be incurred on the CSR activities referred to above .
- ✓ ensure that the CSR Policy of the Company is monitored on a regular basis and is updated from time to time for any change or enhancement in scope and the same is recommended to the Board for approval
- ✓ To ensure monitoring of the CSR programs by the CSR Implementation Team,

The roles and responsibilities of the said CSR implementation team shall be:

- ✓ To design monitoring mechanism for the activities and the policy,
- ✓ To define the modalities and monitoring the progress of the activities being undertaken under the policy,
- ✓ To ensure that the activities, as are included in CSR Policy of the Company, are undertaken by the Company,
- ✓ To ensure that the company spends, in every financial year, at least two per cent of its average net profits.
- ✓ To inform the Board and CSR Committee of the Board if the Company fails to spend such amount and specify the reasons of it.
- ✓ To obtain unanimous approval of the Board if the expenditure on CSR exceeds 2.5% of the average net profits of during last three years,
- ✓ To appraise on quarterly basis about CSR activities, funds utilized, funds required for carrying out the activities,
- ✓ To involve the stakeholders in implementing the CSR programs,
- ✓ To review for sustenance

5. CSR Committee

To meet the objectives of the CSR of the company, a CSR board committee is formed with following members:

- a) Mr. Atul Desai- Chairman
- b) Mr. R. R. Mandawewala- Member
- c) Mr. Abhishek Mandawewala- Member
- d) Mrs. Khushboo Mandawewala-Member

- **CSR Causes**

AYM Syntex has identified four verticals of CSR focus as well as activities. However the implementation plan based on the community needs assessment conducted in the target locations calls for three priority areas for implementing CSR programs. The section below mentions the implementation strategy along with the planned areas of

intervention:

Key focus area #1: Swasthya

- **Objective:** To support the initiatives on providing safe drinking water
- **Activities:**
 - ✓ Providing access to safe drinking water for needy communities through installation of suitable water purifiers
 - ✓ Conducting awareness sessions for the community members for adopting hygienic practices
 - ✓ Provision of storage of water as per the findings of the situational analysis
- **Target locations:** Installing 50+ purification systems across six villages in Palghar and four villages in Silvassa by 2018
- **Plan of action:**
 - ✓ Conducting a situational analysis in the target locations
 - ✓ Implementing the program to provide safe solution for drinking water across target locations
 - ✓ Conducting periodic community engagement session for awareness on adopting healthy practices to maintain health and hygiene
 - ✓ Employing regular monitoring and evaluation mechanism to ensure the effectiveness of the program

Key focus area #2: Swabhimaan

Objective: Initiatives on providing pre-school education

- **Activities:**
 - ✓ Provide quality education to children between 3-6 years of age through a Balwadi
 - ✓ Providing educational scholarships to students for higher education
- **Target locations:** Palghar, Maharashtra
- **Plan of action:**
 - ✓ Running a school readiness program for children in Balwadi from 3-6 years of age
 - ✓ Providing them quality education through upgraded curriculum and tailor made content delivery mechanism
 - ✓ Ensuring 100% enrollment of students in Grade I to ensure continuity in their education
 - ✓ Employing regular monitoring and evaluation mechanism to ensure the effectiveness of the program
- **Target locations:** Palghar, Maharashtra

- **Plan of action:**

- ✓ Running a school readiness program for children in Balwadi from 3-6 years of age
- ✓ Providing them quality education through upgraded curriculum and tailor made content delivery mechanism
- ✓ Ensuring 100% enrollment of students in Grade I to ensure continuity in their education
- ✓ Employing regular monitoring and evaluation mechanism to ensure the effectiveness of the program

Key focus area #3 & 4: Sudhaar & Shrishti

Objective: Initiatives waste management and electrification

- **Activities:**
 - ✓ Provide safe waste management mechanism for the community members
 - ✓ Provision of street lights in poorly lit areas of remote location
- **Target locations:** Silvassa and Palghar as a pilot till 2018
- **Plan of action:**
 - ✓ Initiating a waste management program post situational analysis in collaboration with community members
 - ✓ Developing/adopting a sustainable solution for rural/semi-urban electrification in collaboration with community members
 - ✓ Employing regular monitoring and evaluation mechanism to ensure the effectiveness of the program

Any other need based community interventions as approved by the Management shall be undertaken by the CSR implementation team during the financial year

6. Program Fit: Alignment with Schedule VII, Companies Act 2013

The program as described in the previous section, align with various items in the Schedule VII of the Section 135 of the Companies Act 2013 as follows:

Key focus area	Aligned Item in Schedule VII
Swasthya	Item I: 'Making Available Safe Drinking Water'

Swabhimaan	Item li: 'Promoting Education'
Sudhaar	Item X & Xi: 'Rural Development Projects' 'Slum Development Projects'
Shrishti	Item Iv: 'Ensuring Environmental Sustainability'

1. Budget

The total budget for the CSR projects will be as recommended by the CSR Committee and approved by Board of Directors in accordance with applicable provisions of The Companies Act 2013 and the CSR Rules.

2. Modalities of execution

AYM Syntex is committed towards improving the lives of the community members through:

- a) Direct Engagement: AYM to have a direct engagement strategy- most initiatives to be conceptualized and executed directly through a team of professionals.
- b) Partnerships: In addition to direct engagement, in specific cases, to partner with other organizations that have the technical expertise and experience to undertake various programs in the identified core focus areas of operation, to improve our outcomes.

AYM Syntex may also engage consultants to help build capacity for undertaking CSR programs but will limit this to 5% of total spending, as mentioned in the CSR Rules under the Companies Act 2013.

The time period/duration over which a particular programs will be spread, will depend on its nature, extent of coverage and the intended impact of the program. By and large, it may be ensured that the CSR program shall be executed in and around areas adjoining company's workplace and factories/project sites/work centers.

3. Monitoring mechanism

The CSR implementation team would meet on a monthly basis to monitor the progress of CSR programs, CSR spending and review if any changes are required. During these meetings, the implementation team would also review the CSR policy to discuss if any changes are required in the policy itself. However, it may also meet at an early period in case of making changes to any particular program or for review of CSR policy. The CSR implementation team will be sending reports to the CSR Committee which will be discussed during CSR Committee's meetings.

4. Reporting and Communication

AYM Syntex will incorporate the details of CSR activities, including physical and financial process in the annual report of the Company. The CSR activities will be reflected in the annual accounts of AYM Syntex and will be mentioned in the Director's report. The Company will be communicating its CSR efforts to all its employees and external stakeholders through emails, its own website and other appropriate dissemination channels. The CSR policy of AYM Syntex will also be uploaded on the website of the Company.

5. Exclusion

AYM Syntex will not contribute any amount directly or indirectly to any political party or religious organization as part of its CSR activities.

6. Exceptions & Deviations

All exception and deviation to this policy shall be as recommended by the CSR Committee and approved by Board of Directors.

7. Policy Owners

The CSR Committee is the process owner of this policy.

8. Amendment

Based on the recommendation of the CSR Implementation Team and the CSR Committee, the Board of Director of AYM Syntex can modify this policy unilaterally at any time to maintain compliance with local laws.

9. Conclusion

AYM Syntex is committed to undertake implementation of the proposed CSR programs in order to bring meaningful and sustainable change to the local communities in which it operates. The Company commits to contributing to the society, which is an integral stakeholder.
