

CORPORATE SOCIAL RESPONSIBILITY POLICY

This Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.

➤ **Introduction and Background**

Founded over 3 decades ago and guided by a simple but powerful philosophy: ***"We don't just construct; we engineer success. We don't just build the future; we perfect it"*** is one of the foremost construction company headquartered in Pune. Listed on both NSE and BSE, Vascon is Pune's renowned construction company and has developed landmark projects not only in Pune but almost all over India.

Headed by Mr. R. Vasudevan, a dynamic and a visionary leader, Vascon has till date built projects in multiple segments such as Residential, Commercial, Retail, IT Parks, Airports, Colleges, Hospitals, Industrial. Vascon Engineers Limited is committed to manage various project activities, products and services, for delivering excellence in quality, whilst ensuring the occupational health, safety and well being of our employees and minimizing our impact on the environment.

➤ **Corporate Insight**

We follow a set of principles, inspired by our corporate philosophy. Right from its inception in 1986, Vascon has remained committed to applying the art of value-based aesthetics into the science of construction through excellent engineering. The Vascon team is mainly made up of engineers who are backed up by highly qualified specialists from various fields of management. Right from planning and procurement to testing and execution, every Vascon professional follows well-documented systems and procedures.

Today, Vascon's achievements range from sprawling factories to premium homes, from glittering malls to towering software parks and classy elegant schools. One simple principle guides Vascon's approach to every project: "Understand the customer's needs and expectations; Fulfil the needs and exceed the expectations." This is how Vascon has been able to strike the right balance between engineering and thoughtful development project after project, across the country.

➤ **CSR Vision and Objectives**

○ **CSR Vision**

Vascon works with Vascon Moorthy Foundation towards improving healthcare, supporting child education and many such activities for the welfare of the society.

Vascon also implements activities through vibrant and innovative partnerships with NGO's and other organizations, and will promote quality education, health and undertake many activities for the welfare of the society at large.

The policy enables a deeper understanding of outcome focused social development through diverse collaborations.

➤ **Objectives of the Policy**

The objectives of this policy are to –

1. Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.
2. Actively support and be part of the state's development agenda to ensure sustainable change.
3. Demonstrate commitment to the common good through responsible business practices and good governance.
4. To bring into existence a sense of equity among employees of KPDL to motivate them to give back to the society.

➤ **Applicability**

1. Vascon's (herein referred to as Company) CSR Policy has been developed in consonance to Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India.
2. The Policy shall apply to all CSR projects / programmes undertaken by the Company in India as per Schedule VII of the Act. The CSR activities will be focused on the following broad themes with goals to improve overall socio-economic indicators of Company's area of operation:
 - a. Promoting healthcare, sanitation and making safe drinking water
 - b. Employment enhancement through training and vocational skill development
 - c. Promoting education and sports
 - d. Ensuring sustainable environment

These programs will be executed by Vascon or where appropriate in partnership with local government, various NGO partners, service providers and others.

The list and modalities may be modified from time to time, as per recommendations of the CSR Committee of the Company.

➤ **CSR Budget**

A specific budget is allocated for CSR Activities. This budget should be project driven. The Company shall spend in each financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years.

➤ **Implementation**

The Company's CSR programmes will be identified and implemented according to the Board's approved CSR policy. The Company will enhance its monitoring and evaluation mechanism so as to ensure every Programme has:

- i. Clearly defined objectives
- ii. Impact Assessments
- iii. A reporting framework and system in alignment with the Act and Rules.

➤ **Roles and Responsibilities**

The Board of Vascon shall be responsible for:

- i. Approving CSR Policy formulated by CSR Committee
- ii. ensuring that in each financial year the Company spends at least 2% of the average net profit before tax made during the three immediate preceding financial years.
- iii. ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively, and regularly monitoring implementation.
- iv. disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on Company's website.
- v. Ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.

Further, as per Section 135 of the Companies Act, 2013, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report.

➤ **CSR Committee:**

- Composition: It will consist of three or more Directors of which one would be Independent Director
- Committee Responsibilities: The committee will be responsible for:
 - a. Formulating the CSR policy in compliance to Section 135 of the Act
 - b. Identifying activities to be undertaken as per Schedule VII of the Act
 - c. Recommending to the Board, the CSR expenditure to be incurred.
 - d. Recommending to Board, modifications to the CSR Policy as and when required.
 - e. Regularly monitoring the implementation of the CSR Policy

➤ **CSR Annual Action Plan:**

The CSR Committee shall formulate and recommend to the Board of Directors, Annual Plan pursuant to this policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism etc.

The Board of Directors may approve the Annual Action Plan with further such conditions as it may deem fit and further alter Annual Action Plan at any time during the Financial Year as per the recommendation of CSR Committee based on the reasonable justification to that effect.

➤ **Monitoring and Reporting Framework:**



The CSR Committee shall institute a transparent monitoring mechanism for implementation of CSR projects/programs undertaken.

The monitoring shall take place through one or more ways including respective project heads and/or through the implementation agencies through which the CSR Activities are undertaken.

➤ **Amendments:**

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

VASCON ENGINEERS LTD.

Registered & Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune-Nagar Road, Pune - 14.
Tel.: +91 20 3056 2100/200/300, Fax: +91 20 3056 2600, Web: www.vascon.com CIN: L70100PN1986PLC175750

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