

INOX Air Products Private Ltd

Corporate Social Responsibility (CSR) Policy

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Corporate Social Responsibility Policy

1. SHORT TITLE AND APPLICABILITY

- 1.1 This policy, which encompasses the philosophy of INOX Air Products Ltd (“**Company**”) for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large, is titled as the ‘**CSR Policy**’.
- 1.2 This policy shall apply to all corporate social responsibility (“**CSR**”) initiatives and activities to be undertaken by the Company.
- 1.3 This CSR Policy shall operate as the corporate social responsibility policy of the Company for the purposes of Section 135 of the Companies Act, 2013 and the rules made thereunder.

2. VISION AND OBJECTIVE

- 2.1 In alignment with vision of the Company, the Company, 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 and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.
- 2.2 The objective of the CSR Policy is to:
 - 2.2.1 Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially and environmentally sustainable manner, while recognising the interests of all its stakeholders.
 - 2.2.2 To directly or indirectly take up programs that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
 - 2.2.3 To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity.

3. CSR PROJECTS / PROGRAMES

- 3.1 The Company proposes to serve the society by undertaking CSR projects / programs and proactively responding to the needs of the community preferably in the economic proximity of the Company’s operations.
- 3.2 The Company proposes to adopt one or more of the following CSR projects / programs / activities as prescribed by applicable laws, including Schedule VII of the Companies Act, 2013, as amended from time to time:
 - 3.2.1 Eradicating hunger, poverty and malnutrition, promoting health care (including preventive health care) and sanitation and making available safe drinking water;
 - 3.2.2 Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

- 3.2.3 Promoting gender equality empowering women, setting up homes and hostels 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;
 - 3.2.4 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;
 - 3.2.5 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;
 - 3.2.6 Measures for the benefit of armed forces veterans, war widows and their dependents;
 - 3.2.7 Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
 - 3.2.8 Contribution to the 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
 - 3.2.9 Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
 - 3.2.10 Rural development projects.
- 3.3 The CSR activities shall be undertaken within the territory of the Republic of India.

4. CSR COMMITTEE

- 4.1 The CSR policy and programs shall be implemented, managed and supervised by the CSR committee appointed by the Board of Directors of the Company ("**CSR Committee**").
- 4.2 The CSR Committee shall comprise at least of such number of directors as is mandatorily required by applicable laws.
- 4.3 The CSR Committee of the Company shall comprise of three or more Directors, of which at least one should be an Independent Director (if applicable as per law).

5. ROLES AND RESPONSIBILITIES OF THE CSR COMMITTEE

The CSR Committee shall:

- 5.1 Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.
- 5.2 Recommend the amount of expenditure to be incurred on the activities referred to in clause 5.1 and
- 5.3 Monitor the Corporate Social Responsibility Policy of the company from time to time.
- 5.4 Decide the CSR Projects or Programs to be taken up by the Company either directly or through registered trust or registered society or a Company established by the Company or its holding or subsidiary of associate Company under Section 8 of the Act or otherwise.

- 5.5 Place before the Board the CSR projects or programs proposed to be taken up by the Company for approval.
- 5.6 Oversee the progress of the CSR Projects or Programs rolled out under this Policy.
- 5.7 Define and monitor the Budgets for the carrying out the Projects or Programs.
- 5.8 Submit a Report to the Board of Directors on all CSR Activities undertaken during the Financial Year and the CSR Policy of the Company shall be displayed on the Company's website.
- 5.9 Monitor and Review the implementation of the CSR Policy.

6. ROLE AND RESPONSIBILITIES OF THE BOARD

- 6.1 The Board shall take into account the recommendations of the CSR Committee and provide appropriate instructions / directions to the CSR Committee when required.
- 6.2 The Board shall consider the CSR Policy formulated by the CSR Committee and approve the same with or without modifications, if required.
- 6.3 The Board shall ensure that activities included by the Company in the CSR Policy are in accordance with Schedule VII of the Act.
- 6.4 The Board shall consider the budgetary allocation proposed by the CSR Committee and approve the same with or without modifications, if required.
- 6.5 The Board shall ensure that the CSR activities undertaken by the Company are in accordance with the CSR Policy of the Company.
- 6.6 The Board shall monitor the CSR activities of the Company in accordance with its CSR Policy and the law.

7. FINANCIAL OUTLAY FOR CSR ACTIVITIES

- 7.1 Every year, the Company shall with the approval of its Board of Directors make a budgetary allocation for CSR activities/ projects for the year. The budgetary allocation will be based on the profitability of the Company and the requirements of applicable laws.
- 7.2 The Company expects to spend the budgeted amount allocated for CSR activities/ projects planned for each financial year, within that year. If for any reason, the budget of a year remains unutilised, the same may be carried forward to the next year for expenditure on CSR activities, which were planned for implementation in the previous year, but could not be completed due to some reason. The CSR Committee and the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR activities as planned for that year in the Annual Report of the Company.
- 7.3 Any surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

8. IMPLEMENTATION

- 8.1 For effective implementation, each plan recommended by the CSR Committee should specify the CSR activities planned to be undertaken.
- 8.2 The Company recognises that the period of implementation of its long term CSR projects can extend over several years depending upon the expected outcomes/ impact thereof.

- 8.3 Each long term project will be broken up into annual targets and activities to be implemented sequentially on a yearly basis, and the budget would have to be allocated for the implementation of these activities and achievement of targets set for each successive year, till the final completion of the project.
- 8.4 The Company may take up the implementation of CSR project with its own manpower and resources, if the CSR Committee is confident of its organisational capability to execute such projects.

9. EXECUTING AGENCY

- 9.1 If in the opinion of the CSR Committee, the implementation of CSR projects requires specialised knowledge and skills, and if the Company does not have such expertise in-house, the wherewithal, and dedicated staff to carry out such activities, the CSR Committee may decide to avail the services of external specialised agencies for the implementation of such CSR projects.
- 9.2 In the event an external agency is engaged for the purposes of the CSR initiatives of the Company, the Company will need to enter into an agreement with the relevant executing/implementing external agency, setting out the terms and conditions of the engagement of the external agency.

10. MONITORING

The CSR Committee will meet periodically during the year with a view to monitor the progress of CSR projects and spend. The company may choose to engage the services of an external agency to verify data presented in the reports. The Board of Directors shall include details of CSR policy and activities undertaken during the year in the report to be prepared in accordance with the provisions of the Companies Act, 2013.

11. GENERAL

- 11.1 A copy of this CSR Policy will be handed over to the Directors within one month of the date of the approval of this Policy by the Board of Directors. The Policy shall also be posted on the web-site of the Company and appropriate disclosures shall be made in the Annual Report of the Company as per law.
- 11.2 In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
- 11.3 All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws.
- 11.4 The Company reserves the right to modify, cancel, add, or amend this CSR Policy.

15/11/2014