

AIRNOV INDIA LIMITED
(Formerly Clariant Medical Specialties India Limited)

Corporate Social Responsibility Policy



I. AIMS AND OBJECTIVES

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operates. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also contribute as a company to various charitable causes and we seek to participate in ways that touch people's lives in these communities.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large and titles as the "Corporate Social Responsibility (CSR) Policy" which is based as per the Companies Act, 2013 and rules made there under.

This policy has been formulated and recommended by the CSR Committee and adopted by the Board of Directors at its meeting held on October 23, 2015. The Board may, upon recommendation of the CSR Committee, amend or modify this CSR Policy as and when necessary.

II. DEFINITIONS

- **Act** means Companies Act, 2013, as amended and modified from time to time
- **Areas of Interest** means the areas of interest as identified by The Company for implementing CSR goals and shall include the areas specified in Clause (B)(2) of this CSR Policy and shall include all CSR Activities as defined under the Act and CSR Rules from time to time
- **Board** means Board of Directors of the Company
- **Company** means Ameya Logistics Private Limited.
- **Corporate Social Responsibility (CSR)** means and includes but is not limited to:
 - 1) Projects or programs relating to activities in areas as specified in Schedule VII to the Companies Act, 2013; or
 - 2) Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendation of the CSR Committee and approved by the Board as per this policy.
- **CSR Committee** means Corporate Social Responsibility Committee constituted by the Board pursuant to section 135 of the Companies Act, 2013.
- **CSR Activities** shall mean the specific activities listed in the Annexure that various Organizations shall engage in which shall be funded by The Company in accordance with the Act and CSR Rules;
- **CSR Commitment** shall mean at least 2% of the average net profits of The Company made during the three immediately preceding financial years as described in Clause (F) of this CSR Policy for conducting its CSR activities in accordance with the Act and CSR Rules;
- **CSR Policy** means CSR Policy of The Company (Airnov India Limited);
- **CSR Proposals** shall have the meaning ascribed to the term in Clause (G)(3) of this CSR Policy which shall be in accordance with the Act and CSR Rules;
- **CSR Rules** means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended and modified from time to time;
- **Employees** means Employees of The Company;
- **Funding** shall mean the disbursements that are to be made to an Organization pursuant to this CSR Policy, with the prior approval of the CSR Committee and the Board in accordance with the Act and Rules;



- **Organizations** means Such organizations including NGOs as are permitted to receive Funding in accordance with the Act and CSR Rules;
- **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the followings, namely:-
 - 1) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise, and
 - 2) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013.

Provided that net profit in respect of financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies act 1956 shall not be required to be re-calculated in accordance with the provisions of the Companies Act 2013.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the same meanings respectively assigned to them.

III. PURPOSE

This CSR Policy establishes the scope, CSR goals of The Company and Funding approval process. This CSR Policy shall operate as the corporate responsibility policy of The Company for the purposes of Section 135 of the Act and CSR Rules.

IV. CONSTITUTION, COMPOSITION AND SCOPE OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

(a) Constitution and composition of the CSR Committee:

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee comprising 3 (three) Members of the Board. Subject to the requirements of the Act, the Board may increase or decrease the size of the CSR Committee by passing a resolution.

The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of section 135 of the Companies Act, 2013.

The current members of the CSR Committee shall be the following:

Name	Title	Role in the CSR Committee
Shrikar Trikannad	Managing Director	Chairman
Matthias Brommer	Director	Member
David Kantor	Director	Member

(Upon appointment or cessation of Directors committee members may be reconstituted)

(b) Invitees to the CSR Committee:

The CSR Committee may, at its discretion, invite employees of The Company from time to time to participate in the meetings of the CSR Committee and assist the CSR Committee in the implementation of the CSR Policy. Invitees to the CSR Committee meetings shall be entitled to participate in the deliberations of the CSR Committee but will not be entitled to vote at the meetings of the CSR Committee.

(c) Scope of the CSR Committee:

The CSR Committee has been set up to:-

- Formulate and recommend to the Board CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in the Schedule VII to the Act.
- Formulate and recommend to the Board an Annual Action plan in pursuance of its CSR Policy
- Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy



- Monitor the CSR Policy from time to time

(d) Modalities of execution of the CSR Projects:

The modalities of the execution of the CSR projects or programs and their implementation along with the monitoring process of such projects or programs as decided by the CSR Committee.

(e) Decisions by the CSR Committee:

- The CSR Committee shall at all the time act in a manner that is consistent with the provisions contained in this CSR Policy, the Act and CSR Rules.
- The CSR Committee shall endeavor to arrive at all decisions by a consensus of all Members. However, in the event the CSR Committee is unable to arrive at such a consensus, the Chairman of the Committee may make the final decision.
- All decisions of the Committee shall be ratified by the Board.

(f) Meeting of the CSR Committees

- The CSR Committee shall meet as frequently as it determines necessary but at least twice annually.
- The CSR Committee shall maintain minutes of each of its meetings.
- The CSR Committee shall review proposed projects and make recommendations to the Board for approval of such projects and allocation of Funding in accordance with the CSR Committee charter.
- The final decision with regards to the acceptance or rejection of a CSR Proposal shall be with the Board.

V. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES (Areas of interest)

The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, can undertake any of the following activities, as part of its corporate social responsibility initiatives, in areas and subject specified in Schedule VII of the Companies Act 2013;

(a) Areas of Interest:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
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. 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;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
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 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;



9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects
11. CSR activities approved by the CSR Committee through a company established under section 8 of the Act or a registered trust or a registered society or through a company established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature (**Companies (Corporate Social Responsibility Policy) Amendment Rules, 2016 notified through notification dated 23rd May, 2016**).

Provided that, the CSR projects and programs or activities that benefit only the employees of the Company and their relatives shall not be considered as CSR activities.

Also, the CSR activities undertaken in India only will be taken into consideration, in order to satisfy the requirement of section 135 of the Companies Act 2013.

- (b) The Company may update the above list as per Section 135 and Schedule VII of the Act as amended from time to time.
- (c) The Company focuses its philanthropy primarily in geographic regions of India where The Company has a business presence. However, The Company may contribute to causes in other parts of India, if the CSR Committee is of the opinion that such contribution is appropriate.
- (d) The Company will publish the list of specific projects / programs it plans to undertake for any financial year, and the modalities of execution, including implementation plan will be published as an Annexure to this policy from time to time.

VI. IMPLEMENTATION AND RESOURCES FOR THE CSR ACTIVITIES

- For achieving its CSR Initiatives and Activities through implementation of meaningful & sustainable CSR programs, the Company needs to allocate, in every financial year, at least 2% (two per cent) of the average net profit made by the Company during the three immediately preceding financial years.

"Net Profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.

The CSR Commitment shall comprise of the following:

- 2% (two percent) of the average Net Profits of The Company for the last 3 (three) financial years;
 - Any income arising from the CSR Commitment; and
 - Surplus arising out of CSR activities, if any.
- If in case the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the prescribed amount.
 - The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
 - CSR expenditure shall include all expenses including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of CSR Committee, but should not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Schedule VII of the Act.
 - The CSR Committee may identify external organizations and / or entities to assist with the various aspects of implementation of this policy including but not limited to identifying Organizations, obtaining CSR Proposals, conducting due diligence of Organizations etc. from time to time as approved by the CSR Committee and the Board. The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR activities or programs undertaken by The Company.
 - **Identification of CSR Proposals :** The CSR Committee may identify and receive CSR project proposals from an Organization in line with Areas of Interest as set out herein provided:

CSR proposals received from an Organization shall include the following:



- (i) information about the Organization and projects that they have undertaken in the past three years;
 - (ii) Proven track record of the organization for the past 3 (three) years in the area of project activity that it has been nominated for.
 - (iii) Information of the project and the activities that the Organization proposes to undertake in relation to which Funding is sought from The Company;
 - (iv) contain detailed budget indicating various heads under which expenditure is proposed to be made and the quantum of such expenditure;
 - (v) The impact of the activities that are proposed to be conducted;
 - (vi) Any other information that may be material for The Company to make an informed decision on supporting the project. Such information may include but is not limited to relationships that the Organization (directors, employees, etc.) may have with any Employee of The Company;
 - (vii) Proof of registration under the Foreign Contribution (Regulation) Act, 2010.
 - (viii) A completed Funding Request Form of The Company.
- Upon receipt of Proposals, the CSR Committee shall conduct appropriate due diligence of the CSR Proposal and the Organization either directly or through external organizations and/ or entities to ensure alignment with this CSR Policy and to ascertain the following:
 - (i) Relevance of the CSR Proposal to the Areas of Interest.
 - (ii) Appropriateness of project financials, the budget and timelines.
 - (iii) Impact on targeted beneficiaries.
 - (iv) Is the CSR activity permitted under the Act and Rules.
 - (v) Assessing whether the proposal is purely philanthropic;
 - Has no direct or indirect benefit to The Company or its employees; has no conflicts of interest or self-dealing exist;
 - Has no political or religious affiliation;
 - Has no activity that is inconsistent with The Company's non-discrimination policies; and
 - Upholds requirements under the Foreign Corrupt Practices Act, 1977 (15U.S.C. § 78dd-1, et seq.).
 - **Approval Process:**
 - (a) Upon receipt of the CSR proposal, the CSR Committee shall evaluate the same in accordance with this policy.
 - (b) The CSR Committee may take such time as it deems necessary to deliberate and come to a conclusion regarding a CSR Proposal. The CSR Committee may, approve or decline a CSR Proposal.
 - (c) All Funding to Organizations must be approved in advance by the CSR Committee and the Board and such approval shall be obtained prior to making any commitment to the Organization in this regard.
 - (d) Subsequent to the approval of the CSR Proposal by the CSR Committee, the CSR Proposal shall be placed before the Board together with the recommendations of the CSR Committee for its consideration and approval. The Company will provide Funding only to such projects as may be approved by the Board.
 - **Post Approval Process**
 - (a) Subsequent to the approval of the CSR Proposal by the Board, The Company and the Organization shall enter into appropriate documentation regarding the terms of the Funding and the manner in which such Funding shall be disbursed by The Company. Such documentation shall be in a form and substance that is acceptable to the CSR Committee and the Board.



- **OUR APPROACH TO IMPLEMENTATION:**

We will strive to implement the aforesaid CSR activities on our own to the extent possible. However, the principle implementer of our CSR activities would include:

- Collaborating with various organisation, which are registered as a Trust or a section 8 company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India that specialise in the aforesaid activities.
- Contribution to various funds which are aligned with our Vision and Mission e.g.
- ❖ Prime Minister's National Relief Fund
- ❖ Any other fund set up by the Central Government for :
 - ✚ socio-economic development and relief.
 - ✚ for the welfare of Scheduled Castes, the Scheduled Tribes, other Backward classes, minorities and women.

VII. MONITORING MECHANISM

- (1) Organizations receiving Funding will be required to provide evaluation information on a periodic basis with details on the status of the CSR Activities, including details concerning the project deliveries, costs incurred, and in a manner prescribed by The Company.
- (2) A summary of these reports shall be tabled before the meetings of the CSR Committee.
- (3) Detailed reports will be available for further perusal of the members of the CSR Committee as required.
- (4) The Company reserves the right to suspend payments to an Organization that delays and or fails to provide, to The Company's satisfaction, details concerning the use of the Funding.

VIII. REPORTING MECHANISM

The Company shall publish its annual report on CSR Activities in its Directors Report in the manner prescribed under the Companies Act 2013 and the CSR Rules. This policy will also be available on The Company's website.

