

## Corporate Social Responsibility

### Policy Of

#### **M/s. INSPIRON ENGINEERING PRIVATE LIMITED**

Real progress occurs when privileges are balanced with the responsibilities towards society. Your Company has always laid emphasis on progress with a social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities. Following this principle, the company has developed a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities, work-force and their families.

#### **(1) Need for the CSR Policy:**

Ministry of Corporate Affairs, Government of India has notified Section 135 being provision relating to CSR with effect from 1st April, 2014 and also notified rules namely the Companies (Corporate Social Responsibility Policy) Rules, 2014 which also came into effect from 01.04.2014. The said provisions are applicable to the company having:

**(a)** Net worth of Rs.500 crores or more OR

**(b)** Turnover of Rs.1000 crores or more OR

**(c)** Net profit of Rs.5 crores or more.

Any company satisfying any one of the above criteria in the immediately preceding financial year shall ensure that the company spends, in every financial year at least 2 per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its CSR policy.

The company should give preference to the local area and areas around it where it operates for spending the amount earmarked for CSR activities.

As the company is fulfilling the criteria of net profit of Rs.5 crores or more, as required by the Companies Act, 2013 the company has formed CSR Committee of its directors. The CSR Committee has recommended this CSR policy to the Board of Directors. The Board of Directors, at their meeting held on 18<sup>th</sup> November 2015, has approved the same and the same has been amended by the Board of Directors so as to consider the amendment in the applicable laws.

#### **(2) CSR Objective:**

The objective of the company's CSR Policy is to frame guiding principles for identifying, execution and monitoring of CSR activities, its review from time to time, taking necessary corrective actions and reporting of the CSR activities to CSR Committee/Board of Directors. The whole idea is for the betterment of local community, employees and nearby society.

#### **(3) CSR activities:**

Inspiron Engineering Private Limited is a Private Limited Company, one of the leading manufacturer and seller of textile machineries, components and spares and also

provides related services in the organized sector of the country. The Company's production facilities are situated at Odhav and Chandial, Ahmedabad - Gujarat State.

All activities are identified in a participatory manner, in consultation with the local community of the areas where the Company's operations are carried on, literally sitting with them and gauging their basic needs, based on a discussion with the villagers and other influential, activities are prioritized. Arising from this, the main focus areas that have emerged are Education, Sanitation & Cleanliness, Health care, Village Development through Sustainable livelihood and Infrastructure development, and espousing social causes.

The company proposes to carry out CSR activities in the following functional areas subject to the approval of CSR Committee/Board of Directors from time to time:

In Education, our endeavor is to spark the desire for learning and knowledge at every stage through

- Formal schools
- Balwadis for elementary education
- Quality primary education
- Girl child education
- Adult education programs

In Health care our goal is to render quality health care facilities to people living in the villages and elsewhere

- Primary health care centers
- Mother and Child care programs
- Immunization programs with a thrust on polio eradication
- Health care for visually impaired, and physically challenged
- Preventive health through awareness programs.

In Village Development our aim is developing the villages through Sustainable Livelihood and Infrastructure Development:

In Sustainable Livelihood our programs aim at providing livelihood in a locally appropriate and environmentally sustainable manner through

- Formation of Self Help
- Groups for women empowerment
- Vocational training
- Partnership with Industrial Training Institutes.

In Infrastructure Development we endeavor to set up essential services that form the foundation of sustainable development through

- Basic infrastructure facilities
- Housing facilities
- Safe drinking water
- Sanitation & hygiene
- Renewable sources of energy.

To bring about Social Change we advocate and support

- Dowry less marriage
- Widow remarriage
- Awareness programs on anti-social issues
- De-addiction campaigns and programs
- Espousing basic moral values.

The CSR activities to be carried out by the company will be mainly through the Trust “Shri Hiralal Bhagwati Charitable Trust”, which is created on 22<sup>nd</sup> October 2004 and registered on 28<sup>th</sup> January 2005 with the office of Ahmedabad Public Trust Office.

Shri Hiralal Bhagwati Charitable Trust is the CSR wing of Inspiron Engineering Private Limited and will execute various CSR programs on behalf of the company as more elaborately embodied in Annexure-A enclosed herewith. The Trust is having a track record of more than three years in undertaking the similar activities as to be undertaken by the Company, as required under the Act and related Rules thereunder.

#### **(4) CSR Committee:**

The primary responsibility for carrying out the CSR activities will be on CSR Committee/Board of Directors of the company. As on adoption of this policy, the Corporate Social Responsibility Committee of the Board is consisting of following three directors:

- 1) Mr. Prakash Bhagwati, Chairman and member of Committee
- 2) Mr. Amol Bhagwati, Managing Director and member of Committee
- 3) Mrs. Anjana Bhagwati, Director and Chairperson of Committee

The Board has power to change the constitution of committee as and when need arises.

The CSR committee will look after all the projects in close proximity and active support from all the functional units of Inspiron Engineering Private Limited. The committee will be responsible for

- Formulating transparent procedures for selection of projects.
- Monitoring and timely implementation of the projects.
- Recommendation of budget before the board for various CSR projects.
- Maintaining the report of all the projects.

The CSR committee may form small group of employees for carrying out CSR related activities under its supervision as and when the need arises.

If required a local man including villagers may also be included as a coordinator or as a link man to achieve the target as well as ensuring participation of local representative in formulating the CSR activities in order to obtain the maximum benefit for the community.

In case of need, close coordination may also be undertaken with NGOs to strengthen the CSR activities. If the CSR Committee is satisfied it may also donate appropriate funds to any NGO or local body if they are operating in line with CSR activities and thereby contributing indirectly for the attainment of desired results in the area of CSR activities.

**(5) Areas of operation and CSR activities:**

The Company's production facilities are situated at Odhav, Ahmedabad and Chandial in Gujarat State and as such its CSR activities will be executed in the District of Ahmedabad. However, the areas in the adjoining districts and other districts of Gujarat State may also be covered if the CSR Committee thinks it appropriate.

**(6) Allocation of funds: (Modalities of utilization of funds)**

1. The Company, in every Financial Year, shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the three immediately preceding Financial Years.
2. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee
3. In case the Company fails to spend the statutory minimum limit of 2% of the Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reason for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Act.
4. The CSR Committee will spend funds on the CSR activities or programme or projects as may be approved by the CSR Committee and/ by the Board of Directors and/or donate funds to the "Shri Hiralal Bhagwati Charitable Trust" and other welfare trusts operational in the CSR activities as specified by the Companies Act, 2013 and rules made there under.

**(7) Implementation of the CSR activities:**

The Company shall implement the identified CSR Projects by the following means:

**I. Direct Method**

1. The Company may either through Trust or itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The CSR Officer may engage external professionalism/firms/agencies if required, for the purpose of implementation of its CSR Projects.
3. The company may collaborate with other companies, if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

**II. Indirect Method**

1. The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

**(8) Monitoring and Review of CSR projects/activities:**

All CSR activities shall be monitored by the CSR Committee on regular basis. The Review discussions shall be held among the Committee members and/CSR execution team and other participants for further improvement. Feedback will be obtained from the local representatives to ensure that benefits of such activities should reach to the local community, the same will also be measured against targets and budgets and wherever necessary, midcourse corrections will be affected.

**(9) CSR Spend / Expenditure:**

The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy, however the same shall not be restricted by the statutory limit of a specified percentage of its average net profits of the three immediately preceding Financial Years.

The CSR Committee shall recommend the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act and the Rules and the CSR Policy.

The Board shall be responsible for sanctioning the CSR Expenditure and along with the CSR Committee responsible for taking steps to ensure that the amount for the CSR Expenditure is available to the Implementation Group for application towards the CSR Activities.

Any surplus arising out of the contribution made for CSR activities shall not form part of the business profit of the Company and redeployed for such activities.

In case the Company fails to spend the statutory minimum limit of 2% of the Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reason for the same in its report in terms of clause (o) of sub section (3) of section 134 of the Act and in addition such shortfall shall be treated as mentioned below:

Unspent amount not relating to Ongoing Project:

If there is an unspent amount with the Company which was required to be spend under CSR but could not be spent by the Company and which is not pertaining to the ongoing projects then such amount is required to be transferred to the fund specified in Schedule VII of the Companies Act, 2013 within a period of 6 months from the end of relevant financial year.

Unspent amount relating to Ongoing Project:

In case there is an unspent amount relating to ongoing project then such unspent amount is required to be transferred within a period of thirty days from the end of relevant financial year to a special account to be opened by the Company with Scheduled commercial bank to be called "Unspent CSR Account" (UNCSRA).

The shortfall if any in spending towards CSR as per the statutory limit mentioned under relevant provisions of the Companies Act, 2013 shall be treated as per the Act and Rules as may be amended from time to time.

**(10) Disclosure in the Board of Directors' Report and display on Company's website.**

The Board shall include in Annual Report a report on the CSR Projects.

The Board shall satisfy itself that the funds have been utilised for the purposes as per the CSR policy and in the manner as approved by it.

In case of ongoing project, the Board shall ensure CSR Committee monitors the implementation of the project with reference to the approved timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

**(11) Policy documents to be referred for implementation of CSR activities.**

**(a) CSR policy of M/s. INSPIRON ENGINEERING PRIVATE LIMITED**

**(b) Provisions of the Companies Act, 2013 relating to CSR and rules made there under.**

**(c) Any subsequent notification / circular / amendments / modification / revision / addendum to the aforesaid acts and rules issued by the Ministry of Corporate Affairs, Govt. of India.**

**(12) General:**

**(a)** The company reserves the right to modify, cancel, add or amend any of the above activities/rules/guidelines within the broad parameters of the provisions of Companies Act, 2013 and rules made there under.

**(b)** In case of any doubt with regard to any of the provisions of the policy and also in respect of any matters not covered therein, the interpretation and decision of the Chairperson/ Chairman of the CSR Committee/ Board of Directors shall be final.

**(13) Management Commitment**

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.