INNOVA RUBBERS PRIVATE LIMITED Corporate Social Responsibility (CSR) Policy

I. PREAMBLE

The Companies Act 2013 has brought the concept of Corporate Social Responsibility in the limelight for all the qualifying companies through its "Comply –or – Explain mandate." With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. Company has adopted CSR as a strategic tool for sustainable growth. For Company in the present context, CSR means not only investment of funds for social activity but also integration of business processes with Social processes.

The Company intends to do CSR activities/programs, either ongoing or new, in the areas as specified in Schedule VII to the Act (as amended from time to time), as recommended by the CSR Committee and approved by the Board. Welfare measures for the community at large including employees and their families, so as to ensure the poorer section of the society derives the maximum benefit.

II. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for the companies to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. Company will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

III. CONSTITUTION OF CSR COMMITTEE

In terms of section 135 of the Companies Act, 2013 and the Rules made thereunder, Board of Directors of the Company at its meeting held on 01st April, 2014 has constituted a CSR Committee.

IV. POWERS OF THE COMMITTEE

Following are the powers of the CSR Committee:

(i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
(ii) Recommend CSR activities as stated under Schedule VII of the Act.
(iii) Approve to undertake CSR activities and to separately report in accordance with the CSR Rules.
(iv) Recommend the CSR Budget.
(v) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.

(vi) Create transparent monitoring mechanism for implementation of CSR Initiatives.
(vii) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
(viii) Monitor CSR Policy from time to time.
(ix) Monitor activities/charter of Joint Working Group (JWG) who is authorized to ensure that the CSR activities of the Company are implemented effectively.
(x) Authorize executives of the Company to attend the CSR Committee Meetings.

V. AREAS TO BE COVERED

We intend to undertake all or any suitable activity as specified in Schedule VII to the Companies Act 2013.

VI. ALLOCATION OF FUNDS

The Company shall spend not less than 2 % of its average net profits for the immediately preceding three financial years or such other minimum amount as specified under the CSR Provisions.

Provided further that the allocation of the funds for CSR activities shall not be at the cost of / or in place / stead of the statutory / contractual obligations of the Company towards the government, banks and financial institutions.

Provided further that the surplus arising out of the CSR Projects or Programs or Activities shall not form part of the business profits of the Company.

VII. IMPLEMENTATION

This CSR Policy will be implemented from the succeeding year of a Financial Year in which the Company shows the net profits as per its audited annual financial statements. Based on the net profits, if any, every year, the CSR Committee will identify the CSR activities including the thrust areas, annual budget, planned expenditure and implementation schedule etc.

The preference for CSR activities shall be given the local areas where registered office of the Company is situated.

However, this shall not bar the Company from pursuing its CSR activities in any other areas.

VIII. CSR IN COLLABORATION OR THROUGH A MEDIUM

The Company will undertake its CSR activities as approved by the CSR Committee, through itself or through a registered trust or registered society or a Company established by the Company under Section 8 of the Companies Act, 2013.

The CSR Committee will decide the mode of execution of such activities / projects i.e. whether such activities will be carried out by a registered and approved trust or society or a company with an established track record of not less than three years in undertaking similar programs or projects or they will be carried out by team of persons specifically formed for such purpose(s) or such other mode as is within the scope of the CSR Provisions and most suitable for execution of that particular activity / project.

The CSR Committee may also decide to contribute the entire or part of the amount to any fund as is within the scope of CSR Provisions.

IX. POLICY REVIEW & FUTURE AMENDMENT

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.