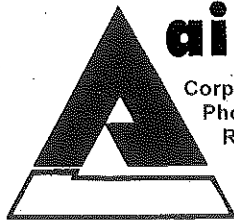


TURNKEY PROJECTS • HVAC



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## **AIREF ENGINEERS PRIVATE LIMITED**

**[117, Tagore Park, Model Town, Delhi-110009]**

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### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **I. BACKGROUND, APPLICABILITY AND OBJECTIVE**

##### **BACKGROUND:**

Airef Engineers Private Limited has developed Corporate Social Responsibility Policy in accordance with Section 135 of the Companies Act, 2013, Schedule VII to the Act, the CSR Policy Rules, 2014 notified by Ministry of Corporate Affairs, Government of India. Later various circulars were issued by MCA clarifying various aspects of CSR Rules and certain amendments were made to in Section 135 and Schedule VII to the Act. Recently MCA vide Notification dated 21<sup>st</sup> January 2021 has notified Companies (CSR Policy) Amendment Rules, 2021. Accordingly in order to incorporate amendments made in Section 135 and Schedule VII to the Act and Companies CSR Policy Rules, 2014, the existing CSR Policy has been revised.

##### **APPLICABILITY**

The revised policy has been approved by the Board at its meeting held on 30<sup>th</sup> April 2021. The revised policy is effective from 1<sup>st</sup> April 2021.

Any Point not covered by this policy would be interpreted according to the provisions of Companies Act, 2013 and any subsequent amendments to Section 135 Schedule VII and CSR Policy Rules shall also be considered part of this policy.

##### **OBJECTIVE OF THE POLICY**

Airef Engineers Private Limited is in existence since 1996 and though it is a small business enterprise and a closely held company, it has tried to make its niche in the industry and has developed exceptional ability to execute specialized installations on turnkey basis for the Ministry of Defence.

However it is also strongly connected with the principles of Sustainability and believes that an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Airef Engineers Private Limited to exhibit Corporate Social Responsibility through its commitment to grow in a socially and environmentally responsible way. Airef is committed to continuously improving its social responsibilities as a good corporate citizen, to make a positive impact on the society and environment and to contribute to social development and improving quality of life of the community in which it operates.

## **II. IMPLEMENTATION OF THE CSR POLICY**

1. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and recommended by the CSR Committee.
2. Mode of Implementation: The CSR Activities may be undertaken by the Company directly or through any of the Implementing Agency being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1 April 2021)  
Modes of Implementation:
  - (i) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company;
  - (ii) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government;
  - (iii) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar CSR activities; or
  - (iv) Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature.

3. The Company may also collaborate with other companies for undertaking projects or programs of CSR activities in such way as its deems fit.

4. The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to *inter alia* verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.

### **III. CSR COMMITTEE**

1. The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.
2. Without prejudice to the generality of the foregoing, the CSR Committee shall be responsible for the following activities:
  - (i) Formulating and recommending CSR activities to the board of directors;
  - (ii) Recommend amount of expenditure;
  - (iii) Monitor CSR policy of the company; and
  - (iv) Formulate annual action plan in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items:
    - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
    - (b) the manner of execution of such projects or programmes;
    - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
    - (d) monitoring and reporting mechanism for the projects or programmes; and
    - (e) details of need and impact assessment, if any, for the projects undertaken by the company.

3. The CSR Committee shall consist of at least two directors of the Company. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.
4. The CSR Committee shall hold meetings which shall be attended by minimum of two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.
5. All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/ interpretation shall rest with the Board.
6. No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.

#### **IV. CSR EXPENDITURE**

1. 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.
2. 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.
3. 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 spend towards the CSR Activities.
4. Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.

5. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following: (i) activities undertaken in pursuance of normal course of business of the company any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  - (ii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
  - (iii) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
  - (iv) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
  - (v) activities carried out for fulfillment of any other statutory obligations under any law in force in India.
6. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

## **V. CSR ACTIVITIES**

1. The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:
  - (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
  - (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly, and the differently abled and livelihood enhancement projects;
  - (iii) 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 back ward groups;

- (iv) 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) 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;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for social-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government, and contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) Rural development projects;

(xi) Slum area development

Explanation - For the purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force;

(xii) Disaster management including relief, rehabilitation and reconstruction activities; and

(xiii) Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.

2. The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.
3. Based on the scope of activities the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.
4. The Board shall ensure that appropriate designated staff or personnel provide adequate assistance (viz. data collection, survey, quotations and costs involved etc.) to the CSR Committee to enable it to make necessary recommendations to the Board. For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
5. The details of CSR Activities to be undertaken by the Company shall be presented to the Board by the CSR Committee along with its recommendations:
6. Based on the recommendations of the CSR Committee, the Board shall approve the CSR activities of the Company for a given financial year.

## **VI. MONITORING PROCESS**

The Company has already constituted a Corporate Social Responsibility Committee which shall institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

## **VII. REPORTING AND RECORD KEEPING**

1. The CSR Committee shall maintain proper minutes of all its meetings.
2. The Board's report of the Company shall include an annual report on CSR such details as may be prescribed from time to time under the Act and the CSR Rules.
3. In respect of the reporting, the Board will be responsible to ensure that:
  - (i) The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
  - (ii) The contents of the latest and updated version of the CSR Policy is included in the report of the Board;
  - (iii) The contents of the CSR Policy along with composition of the CSR committee, and projects approved by the Board are also made available on the website (if any) of the Company.
  - (iv) In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

## **VIII. AMENDMENT**

1. The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

**MAHESH MONGA**  
**(MANAGING DIRECTOR)**

DATE : 30<sup>th</sup> April 2021

PLACE: Delhi