

## **SPAN AIR PRIVATE LIMITED**

### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **I. CSR POLICY**

This CSR Policy encompasses Span Air Private Limited's philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs, and activities towards such responsibilities.

#### **II. KEY WORDS & MEANINGS**

In this Policy unless the context otherwise requires:

- “Act” shall mean the Companies Act, 2013, including any modifications, amendments or re-enactment thereof.
- “Board” shall mean the Board of Directors of the Company.
- “Company” shall mean Span Air Private Limited.
- “CSR Policy” shall mean the Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII of the Act and the CSR Expenditure thereon.
- “CSR Projects” or “Projects” shall mean Corporate Social Responsibility projects/ activities/ programs/ initiatives, instituted in India.
- “CSR Rules” shall mean the Companies (Corporate Social Responsibility) Rules 2014 including any modifications or amendments thereof.
- “Financial Year” shall mean the period beginning from 1<sup>st</sup> April of every year to 31<sup>st</sup> March of the succeeding year.
- “Implementing Agency” shall mean entity referred to in Rule 4 of the CSR Rules and having unique CSR Registration Number.
- “Net Profit” shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.

Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules applicable to the Company.

#### **III. OBJECTIVE AND MEASURES**

The main objective of CSR Policy is to make CSR a key business process for sustainable development of the society. Span Air Private Limited will act as a good corporate citizen and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

In the aforesaid backdrop, policy on CSR of Span Air Private Limited is broadly framed taking into account the following measures:

The CSR activities shall be undertaken by Span Air Private Limited, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

The CSR activities which are exclusively for the benefit of Span Air Private Limited employees, or their family members shall not be considered as CSR activity.

Span Air Private Limited shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.

The Board of Span Air Private Limited has decided to undertake its CSR activities through a registered trust "Mahendra Nath Memorial Trust" (CSR Registration No. CSR00016176) formed by the Company as Settler. The objective of the trust will be in line with Schedule VII of the Companies Act, 2013.

Span Air Private Limited will undertake CSR projects or programs as stated in Schedule VII of the Companies Act, 2013:

#### **IV. ROLE AND RESPONSIBILITY OF THE BOARD**

Board shall constitute a CSR Committee as per Section 135(1) of the Act read with CSR Rules. However, Board may dispense with requirement of CSR Committee in case provision of Section 135(9) is applicable to the Company, and the function of Committee provided under Section 135 shall, in such case, be discharged by the Board.

CSR Committee shall discharge following functions:

- (a) formulate Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII; and disclose contents of such Policy in its report and place it on the company's website, if any;
- (b) Decide the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.
- (d) ensure that the activities as are included in CSR Policy are undertaken by the Company and disclose details of CSR Project and Programs in Board's Report and on company's website, if any
- (e) ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years.
- (f) formulate an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -
  - 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 as specified in sub-rule (1) of rule 4;
  - c. the modalities of utilization 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:

## **V. CSR EXPENDITURE AND ALLOCATION**

A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.

Approving authority for the CSR amount to be spent would be any one Director or the Authorized Officer of the Company after due approval of the Board of Directors of the Company.

In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.

Where the Company spends an amount in excess of requirement provided under the law, such excess amount may be set off in immediate succeeding three financial years.

The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year as the case may be.

The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT

## **VI. IMPLEMENTATION & MONITORING MECHANISM**

1. Baseline survey would be conducted by the implementing agency and annual reviews shall be undertaken to ascertain the progress.
2. The Board shall be responsible for implementation of this CSR Policy.
3. To ensure effective implementation of the CSR projects, programmes and activities undertaken in terms of this CSR Policy, the progress of each such project, programme and activity will be reported to the Board on a quarterly basis, with all requisite documentation.
4. The Board shall also try to obtain feedback from the beneficiaries of the CSR projects, programmes and activities. If considered necessary, the effectiveness of the various programs/ activities undertaken under the CSR Policy may be got evaluated through external agencies for providing the required feedback and inputs to formulate and improve the programs in future.

## **VII. REPORTING**

1. The Board's report shall include an annual report on CSR containing such details as may be prescribed from time to time under the Act and the CSR Rules.
2. The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the CSR Rules are complied with.

## **VIII. GENERAL**

1. Any surplus arising out of the CSR projects/ programs or activities shall not form part of the business profits of the qualifying Span Air Private Limited.
2. All administrative expenses, including expenditure on wages and salaries, tours and travels, and training and development of personnel deputed on CSR Activities would be borne from CSR funds subject to the 5% of total CSR Expenditures during the financial year.
3. If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the Board may, discontinue funding the project at any time during the course of implementation and use such funds for any other project.
4. The Board shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this CSR Policy.

## **IX. AMENDMENT**

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