

## **INOX LEISURE LIMITED – CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. SHORT TITLE AND APPLICABILITY**

- 1.1 This policy, which encompasses the philosophy of INOX Leisure Limited (“**Company**”) for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large, is titled as the ‘**CSR Policy**’.
- 1.2 This policy shall apply to all Corporate Social Responsibility (“**CSR**”) initiatives and activities to be undertaken by the Company.
- 1.3 This CSR Policy shall operate as the corporate social responsibility policy of the Company for the purposes of Section 135 of the Companies Act, 2013 and the rules made thereunder.

### **2. VISION AND OBJECTIVE**

- 2.1 In alignment with vision of the Company, the Company, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.
- 2.2 The objective of the CSR Policy is to:
  - 2.2.1 Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially and environmentally sustainable manner, while recognising the interests of all its stakeholders.
  - 2.2.2 To directly or indirectly take up programmes that benefit the communities in and around its work centres and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
  - 2.2.3 To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity.

### **3. CSR PROJECTS / PROGRAMES**

- 3.1 The Company proposes to serve the society by undertaking CSR projects / programs and proactively responding to the needs of the community preferably in the economic proximity of the Company’s operations.
- 3.2 The Company proposes to adopt one or more of the following CSR projects / programmes / activities as prescribed by applicable laws, including Schedule VII of the Companies Act, 2013, as amended from time to time:
  - 3.2.1 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;
  - 3.2.2 promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
  - 3.2.3 promoting gender equality empowering women, setting up homes and hostels for women

and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- 3.2.4 ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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;
  - 3.2.5 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;
  - 3.2.6 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;
  - 3.2.7 training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
  - 3.2.8 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 socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
  - 3.2.9 (a) 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  
  
(b) 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);
  - 3.2.10 rural development projects;
  - 3.2.11 slum area development, wherein 'slum area' means any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force; and
  - 3.2.12 disaster management, including relief, rehabilitation and reconstruction activities.
- 3.3 The CSR activities shall be undertaken within the territory of the Republic of India.
- 3.4 The Company may appoint any of the following entities, being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1<sup>st</sup> April, 2021), to act as an implementation agency:

- 3.4.1 Company established under section 8 of Indian Companies Act 2013, or registered public trust, or registered 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;
  - 3.4.2 Company established under section 8 of Indian Companies Act 2013, or registered trust, or registered society, being established by (Indian) Central Government or (Indian) State Government;
  - 3.4.3 Company established under section 8 of Indian Companies Act 2013, or registered public trust, or registered 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 activities; or
  - 3.4.4 Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature.
- 3.5 The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
- 3.6 The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the applicable law.

#### **4. CSR COMMITTEE**

- 4.1 The CSR policy and programs shall be implemented, managed and supervised by the CSR Committee appointed by the Board of Directors of the Company ("**CSR Committee**").
- 4.2 The CSR Committee shall comprise at least of such number of directors as is mandatorily required by applicable laws.
- 4.3 The CSR Committee of the Company shall comprise of three or more Directors, of which at least one should be an Independent Director (if applicable as per law).

#### **5. ROLES AND RESPONSIBILITIES OF THE CSR COMMITTEE**

The CSR Committee shall:

- 5.1 Decide the CSR Projects or Programs to be taken up by the Company either directly or through an entity appointed as the implementation agency.
- 5.2 Undertake diligence on the organization proposed to be appointed as the implementation agency, prior to such appointment.
- 5.3 Formulate annual action plan in pursuance of the CSR Policy and the applicable laws, which shall include the following:
  - 5.3.1 the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - 5.3.2 the manner of execution of such projects or programmes being undertaken through implementation agency;
  - 5.3.3 the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - 5.3.4 monitoring and reporting mechanism for the projects or programmes; and
  - 5.3.5 details of need and impact assessment, if any, for the projects undertaken by the company;
- 5.4 Place before the Board the annual action plan for CSR projects or programs proposed to be taken up by the Company for approval, each year. The action plan may be altered at any time during the

financial year as per the recommendation of the CSR Committee, based on reasonable justification to that effect.

- 5.5 Oversee the progress of the CSR Projects or Programs rolled out under this Policy on an annual basis.
- 4.5 Define and monitor the Budgets for the carrying out the Projects or Programs.
- 5.5 Submit a Report to the Board of Directors on all CSR Activities undertaken during the Financial Year on an annual basis and the CSR Policy of the Company shall be displayed on the Company's website.
- 5.6 Prepare annual report on CSR in the manner prescribed under the applicable law and place impact assessment reports as annexure, for Board review.
- 5.7 Monitor, evaluation and review the implementation of the Annual Action Plan and CSR Policy.

## **6. ROLE AND RESPONSIBILITIES OF THE BOARD**

- 6.1 The Board shall take into account the recommendations of the CSR Committee and provide appropriate instructions / directions to the CSR Committee as and when required.
- 6.2 The Board shall consider the Annual Action Plan and CSR Policy formulated by the CSR Committee and approve the same with or without modifications, if required.
- 6.3 The Board shall ensure that CSR activities undertaken by the Company are either by itself or through implementation agency eligible to be appointed as such under the applicable law and the CSR activities undertaken are in accordance with the CSR Policy and Schedule VII of the Act and the CSR Rules.
- 6.4 The Board shall consider the budgetary allocation proposed by the CSR Committee and approve the same with or without modifications, if required.
- 6.5 The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year. Administrative overheads means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- 6.6 The Board of a company shall satisfy itself that the funds disbursed for CSR activities have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- 6.7 The Board shall ensure that the CSR activities undertaken by the Company are in accordance with the CSR Policy of the Company. In specific reference to ongoing project (multi-year project), the Board shall monitor 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.
- 6.8 The Board shall monitor the CSR activities of the Company in accordance with its CSR Policy and the law.
- 6.9 The Board shall review the annual report on CSR along with the impact assessment reports, and include the same in the Board's Report.

- 6.10 The Board shall ensure disclosure of the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website for public access.

## **7. FINANCIAL OUTLAY FOR CSR ACTIVITIES**

- 7.1 Every year, the Company shall with the approval of its Board of Directors make a budgetary allocation for CSR activities/ projects for the year. The budgetary allocation will be based on the profitability of the Company and the requirements of applicable laws.
- 7.2 The Company expects to spend the budgeted amount allocated for CSR activities/ projects planned for each financial year, within that year. If for any reason, the budget of a year remains unutilized and pertains to an ongoing project, the same shall be transferred to Unspent CSR Amount Account and may be carried forward to the next year for expenditure on CSR activities towards the said ongoing project, which were planned for implementation in the previous year, but could not be completed due to some reason. The CSR Committee and the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR activities as planned for that year in the Annual Report of the Company. In the instance, the unutilized amount of CSR budget does not pertain to ongoing project, the same shall be transferred to funds specified in Schedule VII.
- 7.3 Any surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

## **8. IMPLEMENTATION**

- 8.1 Foreffectiveimplementation,long-termCSRplanswillbebrokendownintomedium-term and short-term plans. Each plan recommended by the CSR Committee should specify the CSR activities planned to be undertaken for each year, define the responsibilities of the designated authorities to be engaged in this task, and also prescribe the measurable and the expected outcome and social/ environmental impact of the CSR activities.
- 8.2 The Company recognizes that the period of implementation of its ongoing project can extend over a maximum of three years depending upon the expected outcomes/ impact thereof. While planning for such long term projects the CSR Committee would estimate the total cost of each project and recommend to the Board of Directors of the Company that the Company should commit such amount for long term expenditure till the completion of the project.
- 8.3 Each ongoing project will be broken up into annual targets and activities to be implemented sequentially on a yearly basis, and the budget would have to be allocated for the implementation of these activities and achievement of targets set for each successive year, till the final completion of the project.
- 8.4 The Company may take up the implementation of CSR project with its own manpower and resources, if the CSR Committee is confident of its organisational capability to execute such project.

## **9. EXECUTING AGENCY**

- 9.1 If in the opinion of the CSR Committee, the implementation of CSR projects requires specialised knowledge and skills, and if the Company does not have such expertise in-house, the wherewithal, and dedicated staff to carry out such activities, the CSR Committee may decide to avail the services of external specialised agencies for the implementation of such CSR projects.
- 9.2 In the event an external agency is engaged for the purposes of the CSR initiatives of the Company, the Company will undertake due diligence on such organization and shall need to enter into an agreement with the relevant executing/implementing external agency, setting out the terms and

conditions of the engagement of the external agency.

## **10. MONITORING**

- 10.1 The Company recognises that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of targets. Monitoring may be done periodically with the help of identified key performance indicators, the periodicity being determined primarily by the nature of key performance indicators.
- 10.2 Monitoring will be done in project mode with continuous feedback mechanism, and recourse always available for mid-course correction in implementation, whenever required.
- 10.3 The performance of the Company's CSR activities would be monitored on the basis of their achievement of annual targets and the utilization of their annual budgets for the activities planned and the targets set for each year.
- 10.4 Implementation and monitoring of the CSR activities will be overseen by the CSR Committee. The monitoring and evaluation may be assigned by the CSR Committee to an independent external agency for the sake of objectivity and transparency.
- 10.5 If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives for this purpose.

## **11. GENERAL**

- 11.1 A copy of this CSR Policy will be handed over to the Directors within one month of the date of the approval of this Policy by the Board of Directors. The Policy shall also be posted on the website of the Company and appropriate disclosures shall be made in the Annual Report of the Company as per the applicable law.
- 11.2 In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
- 11.3 All provisions of the CSR Policy would be subject to revision/ amendment in accordance with the applicable laws.
- 11.4 The Company reserves the right to modify, cancel, add, or amend this CSR Policy.