



**Corporate Social Responsibility Policy**

**Of**

**Air India SATS Airport Services Pvt Ltd**

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## **AISATS CSR POLICY**

### **1. INTRODUCTION**

AISATS endeavors to be a socially responsible company and strongly believes in development which is beneficial for all its stakeholders including customers, shareholders, employees and the society at large. As a Corporate Citizen receiving various benefits out of the society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing foods, clothes, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the Company lives and operates.

This policy shall be titled as '**AISATS CSR Policy**'.

This policy shall apply to all CSR initiatives and activities taken up at all business units and locations of AISATS.

### **2. DEFINITIONS**

In these policy, unless the context otherwise requires,

- a) "Act" means the Companies Act, 2013.
- b) "Annexure" means the annexure appended to this policy.
- c) "Company or AISATS" means 'Air India SATS Airport Services Private Limited'.
- d) "Corporate Social Responsibility (CSR)" means and includes projects or programs relating to activities specified in clause 5 of this policy.
- e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in clause 8 of this policy.
- f) "Financial Year" shall start from 1<sup>st</sup> April and end on 1<sup>st</sup> March of the following year.

### **3. CSR VISION STATEMENT**

The AISATS CSR policy is aligned with its *vision* that "AISATS recognizes and honours its social and environment responsibilities in the localities where it operates".

### **4. OBJECTIVES**

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

The objectives of this policy are to –

- ✓ Demonstrate commitment to the common good through responsible business practices and good governance
- ✓ Actively support the state's development agenda to ensure sustainable change
- ✓ Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models
- ✓ Engender a sense of empathy and equity among employees of AISATS to motivate them to give back to the society

## **5. ACTIVITIES**

This clause enlists a set of activities that will be undertaken towards the achievement of above mentioned objectives of AISATS CSR policy. These are by no means an exhaustive list and will be reviewed by CSR Committee.

- a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) 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;
- d) 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 ;
- e) Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- f) Measures for the benefit of armed forces veterans, war widows and their dependants;
- g) Training to promote rural sports, national recognised sports, Paralympics sports and Olympic sports;

- h) Contribution to the Prime Minister's National Relief 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;
- i) Contributions and funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- j) Rural Development Projects.

Explanations: The above activities must be interpreted liberally so as to capture the essence of the subjects enumerated in the said clause and are broad-based and intended to cover a wide range of activities.

## **6. CONDITIONS**

The CSR activities/projects/programs are required to be undertaken in India only and shall not be benefiting only the employees of AISATS and their families but for local community and society at large. The Contribution of any amount directly or indirectly to any political party will not be considered as CSR activity. The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

### **Explanations:**

- a) Voluntary payments made by the employees of the company shall not be considered as CSR activity/contribution done by the company.

## **7. GUIDING PRINCIPLES**

The CSR initiatives of AISATS will be guided by following principles;-

- a) As per laws of Indian Companies Act, 2013, along with the rules, Schedules prescribed thereto and includes any amendments, modifications, alterations, additions or deletions made to it.
- b) AISATS will continue to have ethical business practices building on the existing systems for maintaining transparency and accountability.

## **8. CSR COMMITTEE**

- a) The Company constituted a Corporate Social Responsibility Committee of the Board consisting of two (2) directors.

b) The following shall be the members of the CSR Committee;

- |      |                         |    |                |
|------|-------------------------|----|----------------|
| i)   | One nominee Director    | –  | Air India Ltd; |
| ii)  | One nominee Director    | -- | SATS Ltd;      |
| iii) | Chief Financial Officer | -- | AISATS;        |
| iv)  | Head HR & Admin         | -- | AISATS;        |

c) The CSR committee shall-

- i) Formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the company as specified in clause 5 above;
  - ii) Recommend the amount of expenditure to be incurred on the activities referred to in point (a) as mentioned above;
  - iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
  - iv) Be responsible for the compliances of all CSR activities through engagement of experts.
- d) The above committee members may co opt other senior AISATS management staff to be present in the meeting to advice on CSR policy.
- e) The CSR committee shall meet at least once half yearly and at least 2 such meeting shall be held in every year.
- f) The Company Secretary of the company shall be the secretary of the Committee and to ensure that the Company complies with the GOI CSR requirements.
- g) The Board of the company shall-
- i) After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the company and disclose contents of such Policy in its report.
  - ii) Ensure that the activities as are included in CSR Policy of the company are undertaken by the company.

## **9. ALLOCATION OF FUNDS**

- a) For achieving its CSR objectives, AISATS will allocate 2% (two percent) of the average net profits of the Company made during the three (3) immediately preceding financial years in pursuance of its CSR Policy.

For the purposes of this policy 'average net profit' shall be calculated as per its financial statements prepared in accordance with the Companies Act, 2013, but excludes;

- i) Any profit arising from any overseas branch or branches of the company, whether or not operated as a separate company;
- ii) Any dividend received from other companies in India complying with CSR provisions, as applicable.

Net profit in respect of a financial year for which financial statements have been prepared as per the Companies Act, 1956 is not required to be recalculated in accordance with the provisions of the Act.

- b) The CSR Budget shall be approved by AISATS Board on the basis of recommendation submitted by CSR committee.

**Explanations:**

- a) For the purposes of this clause "average net profit" shall be calculated in accordance with the provisions of section 198 of the Act.
- b) The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company.

**10. CSR EXPENDITURE**

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of point no. 5 as hereinabove mentioned.

**Explanations:**

- a) Expenses incurred by the company for the fulfilment of any other Act/Statute of regulations (such as Labour Laws, Land acquisition Act etc.) would not count as CSR expenditure under the Companies Act, 2013.
- b) Salaries paid by the company to regular CSR staff as well as volunteers of the company ( in proportions to the company's time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.

**11. IMPLEMENTATION**

- a) The Company must specify the project or programs to be undertaken, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

- b) Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through institutions with established track records of at least 3 FY, but such expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.
- c) Collaboration with other companies for undertaking CSR activities is permissible provided that the CSR Committees of respective companies are in position to report separately.
- d) CSR programmes shall be undertaken by all business units of AISATS to the best possible extent within the defined ambit as mentioned in clause 5 of this policy.
- e) AISATS shall have a CSR agenda which is internal to the organization and helpful to conduct its business in a socially responsible way by maintaining high level of organisational integrity and ethical behaviour.
- f) AISATS shall take steps to implement their CSR agenda within the organisation though the active involvement of the employees, who are important internal stakeholders. AISATS CSR policy is to promote social and environmental sustainability and to retain the trust and confidence of investors and shareholders by matching its financial performance with equally commendable achievements in non-financial parameters.
- g) Activities which are selected under AISATS CSR policy, should be undertaken by the company in project/programme mode.
- h) One-off events such as marathons / awards / charitable contribution / advertisement / sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.
- i) While identify projects, the following things need to define :-
- Title of the projects;
  - Project Objectives & its summary;
  - Baseline Survey: What are the reliable sources and how we conducted survey;
  - Budget details;
  - Execution plan (with specific time frame) :The schedule of the program needs to be prescribed;
- [
- In charge Officer: - Responsibilities and policy adherence;
  - Outcome/benefits of the project: - expected results details.

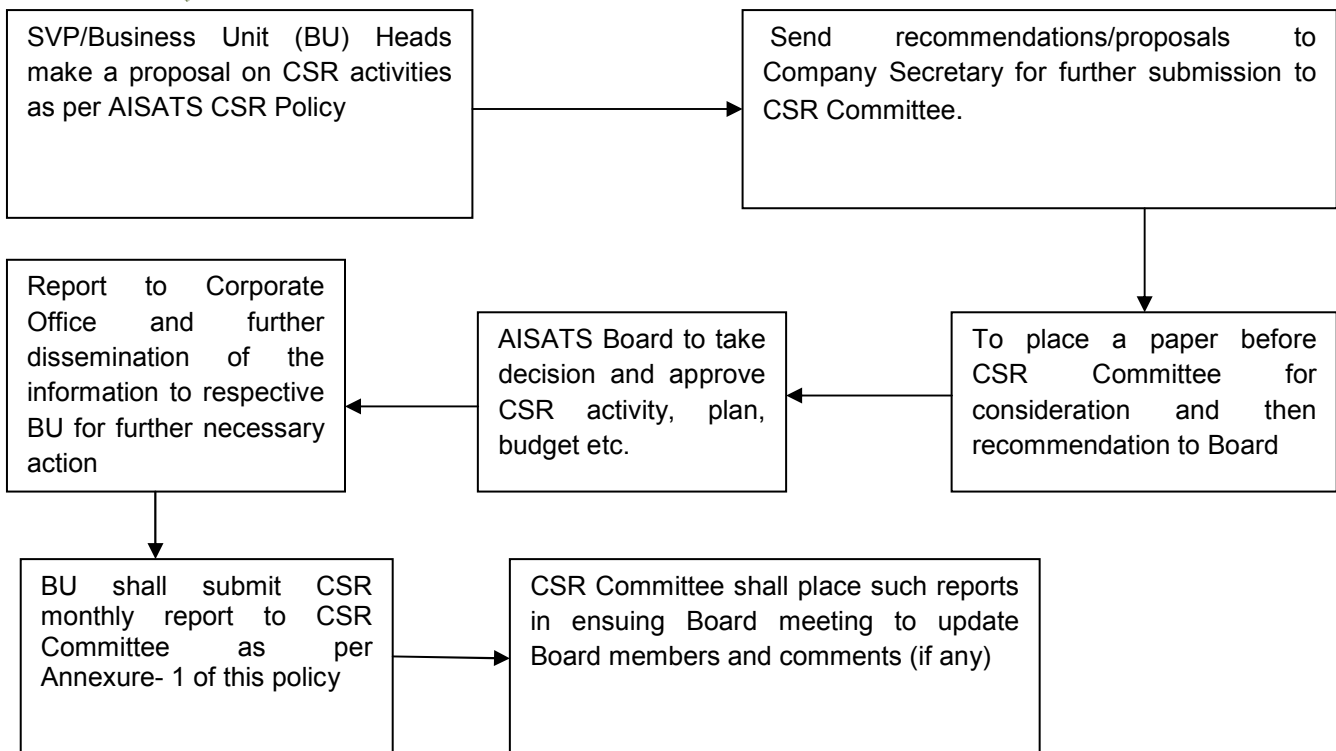


- j) The time period/duration of a project will depend on its scope, nature, area, and expertise.
- k) For spending the amount earmarked for CSR activities, the Company shall give preference to the local area and areas around it where it operates.

**12. REVIEW AND REPORTING**

- a) To ensure integration of CSR policy, the business units will submit the monthly report on CSR activities to CSR Committee.
- b) Reports on activities/projects/programs implemented shall be submitted to the AISATS CSR Committees in every six months.
- c) CSR Committee will provide a progress report to the AISATS Board on the CSR activities / projects / programs being undertaken by all AISATS Business Units.
- d) An annual report on CSR activities will be prepared by CSR Committee and shall be approved by Board of the Company, containing particulars as specified in Annexure-1.

**13. PLANNING, IMPLEMENTING AND REPORTING CYCLE**



**14. DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE**

The Board of Directors of the Company shall approve the CSR policy for the company as per this CSR policy and disclose the contents of such policy in its report and the same shall be displayed on the AISATS website as per the particulars specified in the Annexure- 1.

**15. GENERAL**

The Company reserves the right to modify, cancel, add or amend any of the rules made hereinunder without any prior notification.

**ANNEXURE-1**

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years.
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).
5. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year;
  - (b) Amount unspent, if any;
  - (c) Manner in which the amount spent during the financial year is detailed below;

| 1             | 2   | 3   | 4   | 5  | 6   | 7  | 8  |
|---------------|---|---|---|--|---|--|--|
| <b>Sr. No</b> | <b>CSR project or activity identified</b> | <b>Sector in which the project is covered</b> | <b>Projects or Programs (1) Local area or other; (2) Specify the State and district where projects or programs was undertaken</b> | <b>Amount outlay (budgeted) project or programs wise</b> | <b>Amount spent on the projects or programs Sub-heads:<br/>1) Direct expenditure on projects or programs,<br/>(2) Overheads</b> | <b>Cumulative expenditure up to the reporting period</b> | <b>Amount spent: Direct or through implementing agency</b> |
|               |   |   |   |  |   |  |  |
|               |   |   |   |  |   |  |  |

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

|  |                                      |
|--|--------------------------------------|
| Sd/-<br><br>(Chief Executive Officer or Managing Director or Director) | Sd/-<br><br>(Chairman CSR Committee) |
|--|--------------------------------------|