

## **Corporate Social Responsibility Policy for the year 2017-18**

Corporate Social Responsibility (CSR) is the contribution from the Corporate towards Social and Economic development of Society. CSR integrates Organization, Society and Planet. With a view to that CSR policy should ensure activities which may include sustainable development by skill enhancement, sustain environment, promote gender equality, prevent health care and sanitation, care for senior citizens and differently abled persons, etc.

Johnson Controls-Hitachi Air Conditioning India Limited (JCH-IN) has been involved in CSR activities in small scale even before it has become a part of the Legislation.

Section 135 of the Companies Act, 2013 prescribed the provisions relating to Corporate Social Responsibility. In view of said provisions, this Corporate Social Responsibility Policy (CSR Policy) has been framed.

### **A. CSR Committee:**

Board of Directors has formed CSR Committee with following members:

1. Mr. Gurmeet Singh – Chairman (Managing Director)
2. Mr. Varghese Joseph - Member (Executive Director)
3. Mr. Vinay Chauhan – Member (Executive Director)
4. Mr. Ashok Balwani – Member (Independent Director)

### **B. Process to finalise the Projects / programs for CSR**

1. CSR Committee will formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.
2. CSR Committee will also recommend the amount of expenditure to be incurred on the CSR activities (2% of the average net profits of the company made during the three immediately preceding financial years).

Any CSR activity which is (a) in pursuance of its normal course of business and (2) beneficial only to the employees of the Company or their families shall not be considered in calculation of 2% of average profit as mentioned above.

Amount to be spent for the financial year 2017-18 is Rs. 194.08 Lacs.

3. Board will approve the policy recommended by the Committee.

4. On recommendation of CSR Committee, Board may decide to undertake its CSR activities through registered trust or a registered society or a Company established by the JCH-IN or its promoters or associate Company or otherwise. If such trust, society or Company is not established by JCH-IN or Promoters or Associate Company, it shall have established track record of three years in undertaking similar activities. Board to specify the modalities of utilization of funds on such projects and programs and monitoring mechanism.
5. JCH-IN may also collaborate with other Companies for undertaking projects or programs or CSR activities.
6. Surplus arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company.
7. Monitoring process:
  - Committee will monitor the Corporate Social Responsibility Policy from time to time and the amount utilized for the activities as defined in policy. A report of utilization of CSR amount will be presented before the CSR Committee.
  - Board will ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
8. Committee Meetings will be held twice in a year to finalise the CSR activity, to monitor utilization, to alter the policy or amount of expenditure, if required, including the amount of expenditure.

**C. CSR activities:**

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.
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. 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 backward groups.

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 setup by the Central Government for rejuvenation of river Ganga.
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.
6. Measures for the benefit of armed forces veterans, war widows and their dependents.
7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
8. Contribution to 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 Casts, the Scheduled Tribes, other backward classes, minorities and women.
9. Contributions of funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development projects.
11. Any other areas as may be notified by the Ministry of Corporate Affairs from time to time.