

FLOW LINK SYSTEMS PRIVATE LIMITED

CIN: U29120TZ1992PTC003779

7B, Pioneer Apartments 718, Avinashi Road Coimbatore-641018

CORPORATE SOCIAL RESPONSIBILITY POLICY

Preamble

Social Responsibility is one of the many responsibilities of a Corporate to contribute some thing from its earning for the development of the society without any anticipation. Society requires some support for its advancement. A growth of economy without any corresponding growth of society has no meaning where only some people will be capable of reaping the growth fruits and others will be lagging behind. Hence, every citizen including corporate need to shoulder some social responsibility for the progress of the society.

Socially responsible business practice is an integral part of an organization's effort at ensuring good Corporate Governance. Corporate Social Responsibility (CSR) is therefore a tool through which an organization reflects and pledges its commitment to support and participate in community building efforts.

The Government of India has vide section 135 of the Companies Act, 2013 (the Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) has brought out CSR guidelines to be adhered to by certain class of companies.

The Board of Directors (the "Board") of Flow Link Systems Private Limited (the "Company") has adopted the following policy and procedures with regard to Corporate Social Responsibility as below. The Board may review and amend this policy from time to time. This Policy will be applicable to the Company effective 01st April 2014. This Policy is in terms of Section 135 of the Companies Act 2013.

Scope

Scope of CSR policy is to lay down the guiding principles to enable the CSR Committee and the Board of Directors to determine the amount of money to be earmarked for the CSR Expenditure in any financial year, the projects / programmes / activities for which the amount has to be spent and allocation of funds among various heads of CSR expenditure the geographical areas where the CSR activities are to be undertaken, priority for certain CSR activities over other CSR activities, timing of the expenditure, periodicity of reporting and to undertake any other activity required for due compliance of the provisions of the Act and the Rules.

We are committed to identifying and supporting programmes aimed at:

- To establish, acquire, maintain, manage and/or support schools, colleges, training institutes, balamandirs, study centres, universities, planetarium and other institutions for imparting education, vocational skills, livelihood enhancement projects and training to students.
- 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
- 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;
- To establish and support professorships, fellowships, lectureship, scholarship and prizes at schools, colleges and other educational institutions,
- To contribute funds for technology incubators located within academic institutions which are approved by Central Government;
- To assist in the promotion of research and development in various fields of higher education in its widest and most comprehensive sense.
- To render aid and relief to the poor and deserving persons at all times during epidemic, famine, floods, earthquake and unforeseen natural calamities.
- To help poor widows, aged persons, physically and mentally challenged persons and destitute persons, including setting up homes, orphanages and the like.
- To pursue CSR programmes in relevant local areas to fulfill commitments arising from requests by governmental/regulatory authorities and to spend monies through administrative bodies of the government and/or directly by way of developmental works in local areas around which Company operates.
- To promote sustainability in partnership with industry associations, like the CII, FICCI, ASSOCHAM, MCCI etc.
- To promote or aid Rural Development projects

Responsibility of the Board of Directors

The Board is responsible for:

- Approving the CSR policy as formulated by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
- Ensuring that in each financial year, the Company spends at least 2% of the average net profit of the Company made during the three immediately preceding financial years and for this the net profit shall be calculated as per Section 198 of the Companies Act 2013.

- Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively.
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.
- Any other acts, deeds and things as may be required under law from time to time.

CSR Committee

- I. Composition of the CSR Committee: consists of three or more directors of which, at least one will be an independent director.
- II. The CSR Committee of the Company is responsible for:
 - a. Formulating and recommending to the Board the CSR policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act.
 - b. Recommending to the Board the CSR projects/activities to be undertaken by the Company.
 - c. Recommending to the Board the CSR expenditure to be incurred.
 - d. Recommending to the Board, modifications to the CSR policy as and when required.
 - e. Regularly monitoring the implementation of the CSR policy and reporting to the Board.

CSR Budget and Utilization

CSR Committee will recommend the annual budgeted expenditure for each project to the Board for its consideration and approval and shall be utilized on approved projects in accordance with the CSR Policy. The surplus, if any, arising out of the CSR projects or programs or activities will not form part of business profit of the Company.

Project identification and Selection criteria

- a. Projects to be undertaken shall be in line with Section 135 read with Schedule VII of the Act and the Rules made thereunder.
- b. For selection of any project, the scope, vicinity of Company operations / projects environmental impact, cost, timelines, sustainability, visibility of the Company and other relevant factors needs to be evaluated.
- c. The CSR Committee, after due evaluation of the projects and competency, cost, credibility etc. of implementing agency/NGOs, will take the decision regarding the recommendation to be made to the Board.

Implementation

To implement Company's CSR programmes through Company's employees or through external implementing agencies or through registered trusts, foundations and charitable organisations as may be decided by Company from time to time. In such cases, Company will specify the CSR programmes which may be undertaken by those trusts in accordance with their objects and administrative and accounting processes laid down in the respective trust deeds/memoranda and articles of association

Governance

- Every year, the CSR committee of the board of directors of Company will place for the board's approval, a CSR plan delineating the CSR programmes to be carried out during the financial year and the specified budgets thereof. The board will consider and prove the CSR plan with any modifications that may be deemed necessary.
- The CSR committee will assign the task of implementation of the CSR plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
- The persons/bodies to which the implementation is assigned will carry out such CSR programmes as determined by the CSR committee within the specified budgets and timeframes and provide feedback to the CSR committee on the progress thereon.
- The CSR committee shall review the implementation of the CSR programmes and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this policy.
- At the end of every financial year, the CSR committee will submit its report to the board

CSR Expenditure

As a policy, Company has to spend up to 2% of the Average Net profits of the company made during the three immediately preceding financial years towards CSR activities. CSR expenditure will include all expenditure, direct or indirect, incurred by Company on CSR programmes undertaken in accordance with approved CSR plan. Any amount that remains unspent at the end of the financial year along with the reasons for the same shall be disclosed by the Board in its report under section 134(3) of Companies Act, 2013.

Disclosure

This policy along with changes, if any, from time to time, should be placed on the Company's website.