FLUID CONTROLS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

INTRODUCTION

Established in 1974, Fluid Controls Private Limited (hereinafter "FCPL") is a leading provider of instrumentation products and services for a wide variety of industrial applications. Headquartered in Mumbai, the group has a manufacturing facility and a state-of-the-art R&D centre and testing laboratory in Chakan, Pune.

PREFACE

This policy is titled the **Fluid Controls Private Limited Corporate Social Responsibility Policy** (hereinafter FCPL CSR Policy) and encompasses the Company's philosophy for outlining its responsibility as a corporate citizen. It lays down the guidelines and mechanism for understanding socially useful programmes for welfare and sustainable development of the community at large.

The FCPL CSR Policy shall be effective from the date of its adoption and approval of by the Board of Directors of FCPL

THE FLUID CONTROLS CSR VISION STATEMENT

The FCPL CSR **Vision** is ***"For Society, By Society, To Society"***. The Company believes that value created through business (including employment generation, market growth, creating opportunities, revenue growth) is based on societal inputs to the FCPL community. The Company view is that as this success is because of society, it is the responsibility of FCPL to give back to society -- so that a virtuous circle can continue.

THE FLUID CONTROLS CSR MISSION STATEMENT

The FCPL CSR **Mission** is ***"Together we Connect and Create"***. FCPL CSR creates shared value, integrates corporate, social and environment processes, ensures win-win partnerships and thereby promotes an environment which is useful for society.

THE FLUID CONTROLS CSR GUIDING PRINCIPLES

As a Socially Responsible Corporate FCPL, through its CSR initiatives, is committed towards building an environment for the benefit of present and future generations of stakeholders and to enhance value creation in the society in which it operates.

THE FLUID CONTROLS CSR APPROACH

Corporate Social Responsibility" (CSR) is a way of conducting business, by which entities visibly contribute to social good. The essence of CSR is to integrate economic, environmental and social objectives with the Company's operations and growth. CSR is the process by which the Company thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies. The Company aims to create educated, healthy, sustainable and culturally vibrant communities.

The FCPL CSR Policy area of interest is outlined below:

1. **Education:**
   To work on several educational initiatives to provide quality education, training, skill enhancement for improving the quality of living and livelihood. Initiatives are aimed at:
   a. Promoting primary and secondary education
   b. Enabling higher education through merit-cum-means scholarships, including for differently abled across the country
   c. Using sports as a tool for development of students in both urban and rural settings d) Promoting higher education including setting up and supporting universities
   d. Skill development and vocational training
   e. To support Educationally Backward Blocks (EBB's)
   f. Education specially for the Girl Child

2. **Disaster Management:**
   To strengthen efforts in the area of Disaster Management as one of the leading organizations with the capacity to respond in a timely and impactful manner in the affected areas. Initiatives would include:
   a. Building capacities of local communities to respond to disasters
   b. Developing expertise and resources to respond to disaster

FLUID CONTROLS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY PROCESS

For the smooth execution of the FCPL CSR Policy and the efficient utilization of CSR funds, the Company has put in place **Standard Operating Processes** (SOP's) relating to the CSR Committee, CSR activities and CSR expenses.

COMPOSITION OF THE CSR COMMITTEE

(1) The CSR policy and programs of the Company shall be appointed by, implemented, managed and supervised by the CSR Committee of the Board.

(2) The Charter of the CSR Committee shall be approved by the Board and the CSR Committee shall comprise of 2 (Two) Members of the Board. Subject to the requirements of the Act, the Board may increase or decrease the size of the CSR Committee by passing a resolution. The members of the CSR Committee shall elect one of them as the Chairman of the Committee.

(3) Invitees to the CSR Committee: The CSR Committee may, at its discretion,

invite employees of the Company from time to time to participate in the meetings of the CSR Committee and assist the CSR Committee in implementation of the CSR Policy. Invitees to the CSR Committee meetings shall be entitled to participate in the deliberations of the CSR Committee but will not be entitled to vote at the meetings of the CSR Committee.

MEETING OF THE CSR COMMITTEE

The CSR Committee shall

1. Meet as and when it determines necessary
2. Maintain minutes of each of its meetings
3. Review proposed projects and make recommendations to the Board for approval of such projects and allocation of Funding in accordance with the CSR Committee charter
4. Assist the Board in selection of single- or multi-year ongoing projects
5. Set up standard operating processes (SOP) for CSR operations
6. Take final decisions with regards to the acceptance or rejection of a CSR Proposal

APPROVED BY:	DESIGNATION:	DATE:
Name: Sophie Y. Moochhala	Managing Director	01 April 2021

CSR COMMITMENT

As per the Section 135(5) of Companies Act, 2013 the Board of every company referred to in sub-section (1) shall 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, in pursuance of its Corporate Social Responsibility Policy: For the purposes of this section "average net profit" shall be calculated in accordance with the provisions of section 198.

IMPLEMENTATION OF CSR

When (Conceptual Phase)	What? (Task delineation)	How? (Checkpoints on the Journey)
Plan ↓	1.Conduct a CSR assessment	• Assemble a CSR leadership team; • Develop a working definition of CSR; • Identify legal requirements; • Review corporate documents, processes and activities, and internal capacity; and • Identify and engage key stakeholders.
↓	2. Develop a CSR strategy	• Build support with MD, senior management and employees; • Research what others are doing, and assess the value of recognised CSR instruments; • Prepare a matrix of proposed CSR actions; • Develop ideas for proceeding and the business case for them; and • Decide on direction, approach, boundaries and focus areas.

Do ↓	3. Develop CSR commitments	• Do a scan of CSR commitments; • Hold discussions with major stakeholders; • Create a working group to develop commitments; • Prepare a preliminary draft; and consult with stakeholders.
	4. Implement CSR commitments	• Develop an integrated CSR decision-making structure; • Prepare and implement a CSR business plan; • Set measurable targets and identify performance measures; • Engage employees and others to whom CSR commitments apply; • Design and conduct CSR training; • Establish mechanisms for addressing problematic behaviour; • Create internal and external communications plans;
Check ↓	5. Assure and report on progress	• Measure and assure performance; • Engage stakeholders; and • Report on performance, internally and externally.
Improve ↓	6. Evaluate and improve	• Evaluate performance; • Identify opportunities for improvement; and • Engage stakeholders.
Cross-check: One cycle completed ←		Return to plan and start the next cycle.

CSR EXPENDITURE

1. Any surplus arising out of the CSR 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.

2. Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
   i. The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
   ii. The Board of the company shall pass a resolution to that effect.

REPORTING MECHANISM

The Company shall publish its annual report on CSR Activities in its Directors Report in the manner prescribed under the Companies Act 2013 and the CSR Rules. The Board shall ensure spending of allocated amount on CSR activities and report the status in its annual report, also specify the reasons of not spending of the allocated amount, if any. The Board shall also publish its Report on the Website of the Company.

GENERAL

1) In case of any doubt with regard to any provision of the CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee.

2) The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Act on the subject as may be issued from relevant statutory authorities, from time to time.

3) The Board of Directors on its own and/or as per the recommendations of CSR Committee will formulate the Annual Action Plan of CSR.

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APPROVED BY:	DESIGNATION:	DATE:
Name: Sophie Y. Moochhala	Managing Director	01 April 2021