

Paharpur Cooling Towers Limited

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



**Your Full-Service
Cooling Technologies Company**

INTRODUCTION

Paharpur Cooling Towers Limited (herein after referred to as “the Company”) aims to carry out charitable objects and purposes wide enough for the extension of benefit thereof to all, irrespective of class, creed and relief of poor, education, medical relief and advancement of any object of general and/or public utility. The Companies Act, 2013 read with the Companies (Corporate Social Responsibilities) Rules 2014 has introduced obligatory Corporate Social Responsibility (CSR) from the accounting year 2014-15. The section 135 of the Companies Act, 2013 read with Rules made, Circulars, Notifications and Orders issued thereunder (hereinafter collectively referred to as “the Act”) is in two parts:

A. Applicability

Every company having

- i. net worth of rupees five hundred crores or more, or
- ii. turnover of rupees one thousand crores or more or
- iii. a net profit of rupees five crores or more during any financial year

Shall constitute a Corporate Social Responsibility (CSR) Committee of the Board which shall formulate and recommend CSR Policy to the Board of Directors of the Company ('Board'). The Rules also allow the Board to undertake its CSR activities through a registered trust established by the Company.

B. Expenditure

The Act requires the Board of an eligible Company to ensure that the Company spends, in every financial year, at least two percent of the average Net Profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The Company is covered by this provision. Accordingly it is has constituted a Corporate Social Responsibility Committee of the Board. This Policy has been formulated and recommended by the CSR Committee for the approval of the Board. The Board vide its resolution dated 11 July 2015 approved and adopted this CSR Policy. The Act requires the Board of an eligible Company to ensure that the Company spends, in every financial year, at least two percent of the average Net Profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The Company is covered by this provision. Accordingly it is has constituted a Corporate Social Responsibility Committee of the Board. This Policy has been formulated and recommended by the CSR Committee for the approval of the Board. The Board vide its resolution dated 11 July 2015 approved and adopted this CSR Policy.

CSR COMMITTEE

The CSR Committee shall consist of at least three directors including one independent director as appointed by the Board from time to time. The committee shall meet at least once a year to discuss and review the CSR activities and policy.

The role and responsibility of the Committee will be as under:

1. Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
2. Recommend to the Board the amount of expenditure to be incurred on the various CSR activities in a financial year;
3. Monitor the CSR Policy of the Company from time to time
4. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company
5. To decide on any other matter as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

CSR ACTIVITIES

The CSR Policy of the Company recognizes that CSR is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as specified in Schedule VII of the Companies Act, 2013 and Rules made there under, and include the following:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation, making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. 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;

CSR ACTIVITIES

- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- v. 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;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to support rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. 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.
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- x. Rural development projects.
- xi. Slum area (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) development.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing).

The Company will give preference to the areas around which it operates, for spending the amount earmarked for CSR activities. However, the committee may identify such other areas other than those stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

The following activities shall not form part of the CSR policy:

- The activities undertaken in pursuance of normal course of business of a company.
- One off events such as marathons/awards/charitable contribution/advertisement/sponsorship of TV programmes etc. would not be qualified as part of CSR expenditure.
- Activities that benefit only the employees of the Company and their families.
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act
- Activities undertaken outside India.

BUDGET

The CSR Committee will prepare yearly budget of the amount to be spend on the CSR activities as per the approved policy and recommend the same to the Board of Directors.

The Board, on receipt of the Budget, will implement the same subject to availability of the profits as per the Act.

The surplus, if any, arising out of the CSR Projects or programmes or activities shall not form a part of the business profit of the Company and will be ploughed back into the CSR Activities.

IMPLEMENTATION

The process for implementation of CSR programmes will involve the identification of programmes at the Corporate level by means of the following:

- a. Receipt of proposals/requests from Units/District Administration/local Government/NGO/Trust/Society/Institution etc. and assessment of the same
- b. Discussions with local representatives/civic bodies/citizens' forums/NGOs/Trusts/Society/Institutions etc.
- c. CSR programmes as may be identified at the Corporate level or Unit level will be required to put up to the CSR Committee of the Board

The Company shall carry out CSR activities in the following manner as provided in the Act:

- a. Collaboration with other Companies undertaking projects/programs in CSR activities.
- b. Contribution / donation made to such other Organization / Institutions as may be permitted under the applicable laws from time to time.
- c. Directly by the Company on its own for fulfilling its responsibilities towards various stakeholders.
- d. Through a registered trust established by the Company or its holding or subsidiary or associate company under Section 8 of the Act.

MONITORING

The CSR Committee in order to review progress of the implementation of the CSR Policy may meet at regular intervals.

1. Designate a company official to co-ordinate with the Organisations receiving funds to inspect the activities undertaken and report to the CSR Committee on quarterly basis.
2. Receive and review the above referred Implementation report from the designated employee.
3. Submit the monitoring report to the Board.
4. At the end of the year report to the Board on the CSR activities in the prescribed format which is also to be included in the Report of the Board of Directors.

REPORTING

The Annual Report of the Board of Directors of Company shall include an annual report on CSR containing particulars in the prescribed format [Annexure] on the composition of CSR committee, CSR policy, the amount spent and carried forward with the reasons for spending below budgeted levels.

GENERAL

The CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time. The Company reserves the right to modify, add, or amend any of provisions of this policy.

05/03/2016

Sd/-
Company Secretary

PAHARPUR COOLING TOWERS LTD.
Paharpur House. 8/1/B Diamond Harbour Road,
Kolkata 700027 | pctccu@paharpur.com

www.paharpur.com

