



PAHARPUR COOLING TOWERS LIMITED CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

INTRODUCTION

“Paharpur Cooling Towers Limited” or “The Company” affirm their Corporate Social Responsibility [CSR] as a part of their business activities. This policy Corporate Social Responsibility [hereinafter referred to as the Policy] acts as a guideline to promote social and environmental responsibility.

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 Ministry of Corporate Affairs (MCA) Ministry of Corporate Affairs (MCA) have amended various rules pertaining to the CSR framework on 22nd January, 2021 which mandates modifications of Company’s existing CSR policy of the Company be approved by Board of Directors at its meeting held on 06th May, 2021.

CSR PURPOSE STATEMENT

The Company shall seek to impact the lives of the underprivileged by supporting and engaging in activities that aim to improve their wellbeing. We are dedicated to the cause of empowering people, educating them and in improving their quality of life. We will undertake programme based on the identified needs of the community. Across the different programme areas identified by the company, it would be our endeavour to reach the underprivileged and the marginalised sections of the society to make a meaningful impact on their lives.

SCOPE

The policy will maintain compliance and alignment with the activities listed in Schedule VII and Section 135 of the Companies Act 2013 and the Rules framed there under.

The Company shall undertake CSR Projects among the Activities/Projects falling within the preview of the Schedule VII of the Companies Act, 2013 or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”).

DEFINITIONS

"Board of Director" or "Board" means the Board of Directors of the Company, as constituted from time to time.

"Company" means a company incorporated under the Companies Act, 2013 or under any previous company law.

"CSR Programmes" means Programmes, projects and activities carried out in this regard are the subject matter of this Policy.

"Corporate Social Responsibility Committee or Committee" means CSR Committee constituted by the Board of Directors of the Company, from time to time.

"CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable regulation.

Pursuant to 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 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.

Roles and responsibilities of CSR Committee:-

- I. 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;
- II. Recommend to the Board the amount of expenditure to be incurred on the various CSR activities in a financial year;
- III. Monitor the CSR Policy of the Company from time to time
- IV. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company
- V. 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

CSR activities shall be undertaken as projects, programs or 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 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 as notified and amended by the ministry from time to time and include the following:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, sanitation including contribution to the Swach 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;
- 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.

However, 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.

CSR BUDGET AND EXPENDITURE

The CSR Committee will prepare yearly budget of the amount to be spend on the CSR activities as per the provisions of the Company Act, 2013 i.e. at least two per cent of the average net profit calculated as per Section 198 of the Act read with the Companies (Corporate Social Responsibility) Rules thereof, made during the three immediately preceding Financial Years and recommend the same to the Board of Directors.

The Company shall strive to spend in every financial year at least 2% (two percent) of the average net profits of the Company made during the three immediately preceding financial years.

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

In the event that the amount indicated above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per Section 134(3) (o) of the Act and also adopt any one option from the below mentioned as provided in the Act:

CSR CONTRIBUTION

The committee shall ensure and is eligible to spend in every financial year, at least 2% 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 CSR Committee shall recommend to the Board the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013, as amended from time to time.

In case, the Company spends in excess to the prescribed limit, then the extra amount shall be carried forward and set off such excess amount against the requirement to spend for immediately succeeding 3 financial years.

In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the 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.

CSR UNSPENT

Details of CSR amount to be spend shall be categorised into:-

- a) "ongoing projects"
- b) "other than ongoing projects"

A. IN CASE THE PROJECT IS NOT AN 'ON – GOING' PROJECT

a. Transfer such unspent amount to the below mentioned Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- Prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

- Clean Ganga Fund

B. IN CASE THE PROJECT IS OR IS TO BE CONSIDERED AS 'ONGOING PROJECT'

- a. Pass a Board Resolution to approve the project as 'on-going' if it has not been already identified as an ongoing project;
- b. Open an 'Unspent CSR Bank Account' and transfer the amount which is unspent/ unutilized on the approved CSR project within a period of 30 days from the end of the Financial Year;
- c. Ensure completion of the project within 3 years from the date of such transfer to the 'unspent CSR bank account' of the Company.

If in any case Company fails to spent amount transferred to unspent CSR Bank Account on ongoing project within three years', Company shall transfer the unspent amount to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

MANDATES FOR CSR UNSPENT AMOUNT

- i. Disclose unspent amount in Annual Report on CSR;
- ii. Transfer unspent amount relating to other than ongoing project in Fund specified in schedule VII within specified time;
- iii. Transfer unspent amount relating to ongoing projects into unspent CSR account within specified time;
- iv. For ongoing projects, Transfer unspent CSR amount that is remaining in unspent CSR account after 3 years into fund specified in schedule VII within 6 months of close of 3rd F.Y

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.
- e. The Company can also implement programme in collaboration with other company (ies) / organisations/ firms/ institutions including but not limited to “International Organisation” if permissible and feasible.
- f. The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners.

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.

For and on behalf of the Board
Sd/-
Company Secretary

Registered Address:

Paharpur House,
8/1/B Diamond Harbour Road,
Kolkata 700027, India

Date: 06.05.2021

Place: Kolkata

Amended CSR policy approved by Board on 06.05.2021