



CORPORATE SOCIAL RESPONSIBILITY POLICY

HCS-P-001

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Document History

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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. TITLE

This Corporate Social Responsibility Policy shall be called the Hamon Cooling Systems Private Limited – Corporate Social Responsibility Policy (hereinafter referred to as the “CSR Policy”)

2. DEFINITIONS & INTERPRETATION

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or reenactments thereof:

“**Act**” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

“**Administrative Overheads**” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.”

“**Board**” means the Board of Directors of the Company.

“**Company**” means Hamon Cooling Systems Private Limited (CIN – U29222MH1971PTC015045), a Company incorporated under the Companies Act, 1956 and having its registered office at 3A-8A, Main Frame, Ground Floor, Royal Palms Complex, Near Aarey Milk Colony, Goregaon (East), Mumbai – 400065

“**Corporate Social Responsibility (CSR)**” means the activities undertaken by Company in pursuance of its statutory obligation laid down in section 135 of the Act read with CSR rules, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of normal course of business of the company;
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;



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“**CSR Committee**” means the Committee of the Board constituted for the purpose of administration & implementation of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto referred to in section 135 of the Act.

“**CSR Policy**” means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

“**CSR Rules**” means Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modification or amendment thereof

3. **OBJECTIVE**

The company committed to conducting its business in a socially responsible, ethical, and sustainable manner. Our CSR policy aligns with our corporate philosophy of creating value for society while achieving our business objectives. This policy outlines our commitment to contributing to the economic and social development of communities in which we operate, particularly in areas of education, health, environment, and sustainable livelihood.

The objective of this policy is to:

- Promote and undertake CSR activities in line with the statutory requirements and the broader societal needs.
- Focus on projects that promote education, healthcare, environmental sustainability, and community development.
- Establish a framework for planning, executing, monitoring, and reporting CSR activities.

4. **SCOPE**

This document outlines the Policy of the Company towards Corporate Social Responsibility, in accordance with section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

5. **APPLICABILITY**

The Policy shall apply to all CSR projects / programmes / activities undertaken by the Company in accordance with the clauses contained herein and section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

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6. LIST OF ACTIVITIES FOR CSR WORK SPENDING

- The following is the list of CSR Projects or programmes which the Company, on selective basis, plans to undertake in the phased manner as project or one-time activities pursuant to Schedule VII of the Companies Act, 2013:
- I. 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.
 - 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 maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up 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 art and handicrafts;
 - VI. measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
 - VII. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
 - VIII. contribution to the 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;
 - IX. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)



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- X. rural development projects
- XI. slum area development. Explanation.- For the purposes of this item, the term `slum area' shall mean 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.
- XII. disaster management, including relief, rehabilitation and reconstruction activities.
- XIII. Any other CSR activities as may be notified by the Government from time to time.
 - The Company shall give preference to local area and areas around the Company where it operates for spending the amount earmarked for CSR.
 - The activities which are for the benefit of the employees of the Company or their family members shall not be considered as CSR activity. CSR activities shall also not include the activities undertaken in pursuance of normal course of business of the Company.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

➤ **Composition:**

The Corporate Social Responsibility Committee ('CSR Committee') shall consist of minimum two or such number of Directors as may be applicable to the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder.

➤ **Meetings:**

The CSR Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company, subject to a minimum of one meeting every financial year.

➤ **Role of CSR Committee:**

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

- (i) To 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 of the Companies Act 2013;
- (ii) To recommend the amount of expenditure to be incurred on various CSR activities in a financial year;
- (iii) To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- (iv) To recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities.
- (v) To formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy.
- (vi) To recommend the Board to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect.
- (vii) To decide on any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.



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(viii) To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

Further a new sub-section (9) inserted by Companies (Amendment) Act, 2020 provides that where the amount to be spent by a company does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall be discharged by the Board of Directors of such Company.

8. **ROLE OF BOARD OF DIRECTORS**

The Board of Directors of the Company shall be responsible/ authorised for:

- I. Approving the CSR policy after taking into account the recommendations of the CSR Committee.
- II. Ensuring that in each financial year the Company spends at least 2% of the average net profit made during the three immediately preceding financial years and that administrative overhead, if any, shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- III. Considering and approving the annual action plan recommended by the CSR Committee and may alter such plan at any time during the financial year, based on the reasonable justification to that effect.
- IV. Ensuring that the funds so disbursed have been utilised for the purposes and in manner as approved by it.
- V. Monitoring the implementation of the ongoing projects with reference to the approved timeliness and year-wise allocation and may make modification, if any, required for the smooth implementation of the project within overall permissible time period.
- VI. Disclosure in the Boards' Report, such particulars as mentioned in the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- VII. Disclosure of the composition of the CSR Committee, CSR Policy and the approved projects on the Company's website, if any.
- VIII. Changing duration of project(s) which was initially not approved as multiyear (ongoing) project(s) and whose duration has been extended beyond one year on reasonable justification.

9. **CSR ALLOCATION & EXPENDITURE**

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate at least 2% of its average net profits made during the three (3) immediately preceding financial years as its Annual CSR Budget. The Annual CSR Budget shall be spent on projects / activities as laid down in this Policy.

Surplus of CSR Activities: Any surplus arising out of the CSR activities shall not form part of the business profit 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 of the Act, within a period of six months of the expiry of the financial year.



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Excess CSR Spent: Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –

- the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- the Board of the Company shall pass a resolution to that effect.

Creation or Acquisition of Capital Assets: CSR amount may be spent by the Company for creation or acquisition of a Capital Asset which shall however, be held by either:

- i) Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under the CSR Rules;
- ii) Beneficiaries of the CSR Project, in the form of self-help groups, collectives, entities;
- iii) A Public authority.

10. MONITORING AND IMPLEMENTATION

The CSR Committee shall regularly monitor the implementation of CSR projects and ensure that funds are utilized effectively. The CSR Committee will prepare an annual CSR report, including details of the CSR activities undertaken, the amount spent, and the impact assessment, if applicable.

The Company shall disclose its CSR activities and related information in the annual report and on its official website, in accordance with the Section 135 of the Companies Act, 2013, and the CSR Rules.

11. UNSPENT CSR EXPENDITURE

Subject to provisions of Section 135 of the Companies Act, 2013 read with rules, circulars, notification, order issued thereunder time to time:

- (a) If related to any ongoing project, CSR expenditure amount remaining unspent, such unspent amount is to be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account;
- (b) If CSR expenditure amount (other than related to ongoing project) remaining unspent, such amount be transferred to a specified Fund as within six months of expiry of the Financial Year.

12. IMPACT ASSESSMENT

- If the Company has an average CSR obligation of Ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of One crore rupees or more, and which have been completed not less than one year before undertaking the impact study.



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- The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.
- Impact assessment, if applicable, may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or Fifty lakh rupees, whichever is less.
- Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the CSR Annual Action Plan.

13. GENERAL

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This CSR Policy shall also be subject to such clarifications and FAQs as may be issued by Ministry of Corporate Affairs from time to time.

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 Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy.

In case of any subsequent changes in the provisions of the Act which makes any of the provisions in this Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act.

The Company is committed to ensuring that its CSR initiatives create a positive and lasting impact on society. We believe that through responsible business practices and strategic CSR initiatives, we can contribute to the sustainable development of the communities we serve.