

**POLICY**  
**ON**  
**CORPORATE SOCIAL RESPONSIBILITY (‘CSR POLICY’)**  
**OF**  
**ZECO AIRCON LTD.**

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### **1. Background:**

The Corporate Social Responsibility Committee is constituted by the Board of Directors of the Company Zeco Aircon Ltd. in their meeting held on 01st January 2015 in compliance with Section 135 of the Companies Act, 2013 (“the Act”) read alongwith Schedule VII & the applicable rules thereto.

The CSR Committee of the Company Comprises 3 Directors out of which two are the Independent Directors.

The present Corporate Social Responsibility (CSR) Policy (“the policy”) is in compliance with Section 135(3) of the Act read alongwith the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“the rules”).

### **2. Constitution of CSR Policy and its Objective:**

The main objective of the Policy is to endeavor for sustainable development of the society and enhance value creation, good will & recognition of the Company in the society.

Corporate Social Responsibility Policy (‘CSR Policy’) shall be as recommended by the Committee and approved by the Board from time to time.

### **3. Terms of Reference:**

The terms of reference of the CSR Committee, shall be in accordance with Section 135 of the Companies Act, 2013(‘the Act’) and the Companies (Corporate Social Responsibility Policy) Rules, 2014(‘the Rules’) which shall include :

- Formulation and review of CSR Policy indicating the activities to be undertaken by the Company towards CSR initiative ;

- Recommendation of the amount of expenditure to be incurred on the CSR activities ; and
- Formulation of a transparent monitoring mechanism for ensuring implementation of the projects, programs or activities proposed to be undertaken by the Company or the end use of the amount spent towards CSR activities.
- Monitoring and implementation of CSR policy from time to time.
- Approval to responsibility statement relating to implementation and monitoring of CSR Policy in compliance with CSR objectives and CSR Policy of the Company and report it to the Board.
- Any other requirements mandated under the Act and Rules framed there under from time to time.

#### **4. Focus Areas:**

The Company will undertake its CSR activities approved by the CSR Committee in line with Section 135 of the Act, the Rules and Circulars in any of the following areas:

- a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water ;
- b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement products;
- c. 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;
- d. 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 (including contribution to the clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga);
- e. 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;
  - f. Measures for the benefit of armed forces veterans, war widows and their dependents ;
  - g. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
  - h. Contribution to the Prime Minister's National Relief Fund or any other funds set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women ;
  - i. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government ;
  - j. rural development projects.
  - k. slum development areas
  - l. such other activities as committee may consider deems fit.

## **5. CSR Budget:**

- The total budget for the CSR projects will be decided by the CSR Committee.
- If CSR Budget amount is not fully utilized, the Company shall disclose the reasons for the same in the Board Report.

## **6. CSR Expenditure:**

The Company shall ensure that it spends, in every financial year, at least 2% of its average net profits made during the 3 (three) immediately preceding financial years, in pursuance of its Corporate Social Responsibility and subject to Section 135 of the Companies Act, 2013 and Rules made thereunder.

Net Profits mentioned herein above means, net profit before tax as per the books of accounts of the Company and shall not include profits arising from branches outside India.

For the purpose of this policy, the first CSR spending, financial year would be 2014-15 and the net profit shall mean average of the annual net profits of the financial years 2011-12, 2012-13 and 2013-14.

CSR spend shall be made on or before 31<sup>st</sup> March of the relevant financial year.

## **7. Activities to be undertaken for CSR / Scope of CSR Activities:**

Under the Comprehensive Rural Development Programme, the Company has adopted village Kiruri, Distt. Nuh, Haryana. To take care of the health of inhabitants of the village main focus of the Company will be on arrangement of pure drinking water and construction of toilets in each house of the village. Besides this, for making arrangement of irrigation water in the fields, Company is planning to install tube wells in the fields.

For advancement of education in rural area and to provide additional security for students getting education in village school, to construct additional classroom and/or renovation of school buildings including construction of boundary walls of school at village Kiruri, Distt. Nuh, Haryana.

For helping the poor children to get computer education, Company is planning to open a computer centre at village Kiruri where training can be given to the students to make them computer literate and for enhancing their employment vocational skill so that they can grasp employment opportunities.

## **8. Monitoring and Reporting:**

CSR committee shall \_

- Monitor that the programs, projects or activities supported are in line with the approved CSR Policy of the Company and are also in line with the activities prescribed in Schedule VII of the Act, and amendment thereto from time to time.
- Review the performance and effectiveness of the project undertaken ;
- Modify and prepare the CSR Policy and place the same for the approval of the Board
- Make quarterly reporting to the Board of Directors of the Company on the progress of the CSR Programs, projects and activities undertaken.

## **9. Treatment of Surplus:**

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and these funds will be ploughed back for the CSR activities and not for any other purpose.

## **10. Exclusion from CSR**

The following activity shall not form part of the CSR activities of the Company:-

1. The activities undertaken in pursuance of normal course of business of a company.

2. CSR projects/ programs or activities that benefit only the employees of the Company and their families.
3. Any contribution directly / indirectly to political party or any funds directed towards political parties or political causes.
4. Any CSR projects/ programs or activities undertaken outside India.

#### **11. Dissemination of Information:**

The CSR Committee shall report to the Board of the Company, on annual basis, the status of the CSR Projects / activities undertaken alongwith the report on the impact created by such projects / activities in compliance with the law.

The Company shall also upload the Policy on its website [www.zecoaircon.com](http://www.zecoaircon.com). Further, a status report on the CSR activities carried out by the Company would be disclosed every year as part of the Board's Report in the Annual Report. The said information would also be uploaded on the website of the Company.

#### **12. Miscellaneous:**

The Committee may invite other Directors/ Officers of the company or advisor to attend the meeting of the Committee as ` invitees' from time to time as and when required.

The provisions of the CSR policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued by the Central Government or the Ministry of Corporate Affairs from time to time.

Sd/-

(Chairman CSR Committee)

Sd/-

(Managing Director)