

BLUE STAR CLIMATECH LIMITED

CORPORATE SOCIAL RESPONSIBILITY ('CSR') POLICY AND ROADMAP *(effective April 23, 2024)*

The Preamble

- 1.0. The Companies Act, 2013 as amended from time to time (the 'Act') recognises the following activities, specified under Schedule VII of the Act, as permissible under its CSR mandate:
 - 1.1. Eradicating hunger, poverty and malnutrition, promoting health care including 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.
 - 1.2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
 - 1.3. 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.
 - 1.4. 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.
 - 1.5. 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.
 - 1.6. 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.
 - 1.7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.

- 1.8. 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 government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.
- 1.9.(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).
- 1.10. Rural development projects.
- 1.11. Slum Area development.
- 1.12. Disaster management, including relief, rehabilitation and reconstruction activities

Composition of CSR Committee and Governance

- 2.0. Pursuant to the provisions of the Section 135(9) of the Companies Act, 2013 and the Rules framed thereunder, the Company is not required to constitute a CSR Committee since the amount to spend on CSR does not exceed Rs 50 Lakhs and the functions of the CSR Committee provided under the act shall be discharged by the Board of Directors for the time being till the amount to spend on CSR does not exceed Rs 50 Lakhs.
- 2.1. Accordingly, once the spend on CSR exceeds Rs 50 Lakhs, a CSR Committee should be set up comprising of three (3) or more Directors, out of which at least one director shall be an Independent Director. Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.

2.2. Roles and Responsibilities of the Board/CSR Committee:

- To formulate and recommend to the Board, a CSR Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
 - To recommend the amount of expenditure to be incurred on the CSR activities; and
 - To monitor the CSR Policy of the Company from time to time.
- 3.0. The Act permits companies to carry out recognised CSR activities directly or through Blue Star Foundation or through other registered NGOs or registered public trust or registered society registered under Section 12A and 80G of the Income Tax Act, 1961 (hereinafter referred to as 'Implementing Agencies'). The Company can take up CSR activities through Blue Star Foundation or other Implementing Agencies taking into consideration the capabilities, reach, cost and tax concessions. These entities will keep the Board/CSR Committee periodically updated. The Company should also undertake activities directly which will serve society in meaningful ways, and such activities ideally should leverage the Company's expertise in some manner, while complying with the provisions of the Companies Act.
- 3.1. Implementing Agencies intending to undertake CSR activities effective April 1, 2021, shall register itself with Central Government by filing e-form CSR-1 with Registrar of Companies and shall meet the criteria as prescribed under the Act and rules framed thereof.

Focus Areas

- 4.0. The Board/Committee will decide the list of CSR activities to be undertaken, and the Company will persist with such activities for a sufficient period of time (minimum of 2 or 3 years) in order to create and assess the impact.
- 4.1. In the long term, Company's CSR focus areas shall be Health, Hygiene and Wellness. The Company will undertake related projects, as approved by the Board/Committee.
- 4.2. Contributing to the Government's 'Skill India' mission, the Company will undertake vocational education programmes in the air conditioning, plumbing and electrical installation and maintenance trades; apprentice programmes as well as scholarships for academically deserving, less privileged engineering/architecture students.
- 4.3. Pursuant to the 'Swachh Bharat' initiative of the Government, the Company will endeavour to construct toilets for the less privileged communities.
- 4.4. The Board/Committee may also consider other deserving causes in the areas of health, education, poverty alleviation and others.

- 4.5. The Board/Committee will decide on undertaking specific projects, in case of natural calamities, based on available budgets.
- 5.0. The Board proposed to involve Company employees in these CSR activities, so as to give them a sense of purpose beyond the commercial, as well as to build pride in the Company.
- 6.0. The Company shall have a competent Manager with the necessary CSR background, to enable the Board/Committee to manage the programmes efficiently.

Guidance, Implementation and Monitoring of Projects

- 7.0. The Board/CSR Committee shall formulate and recommend to Board an annual action plan which shall *inter alia* include the following:
- a) the list of CSR projects that are approved to be undertaken;
 - b) the mode of implementation including execution and financial plan of such projects;
 - c) the reporting mechanism for the projects; and
 - d) the details of need and impact assessment, if applicable/any, for the projects undertaken by the Company

The Board may alter the plan, at any time during the financial year, as per the recommendation of CSR Committee, based on reasonable justification.

(Ongoing Project means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding 3 years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond 1 year by the Board based on reasonable justification)

- 7.1. The Board shall monitor the implementation of the Ongoing Projects with reference to the approved timelines and year-wise allocation for smooth implementation of projects within the overall permissible time period.
- 7.2. A certificate from Chief Financial Officer of the Company, certifying that the funds disbursed have been utilised for the purposes and in the manner as approved, shall be placed before the Board on annual basis.
- 7.3. In case, Company spends CSR obligation in excess of the requirement, such excess CSR spent, if any, may be set-off in the immediately succeeding 3 financial years subject to the conditions that:
- a) Excess amount available for set off shall not include the surplus arising out of CSR activities;

b) Board shall pass necessary resolution to give effect.

7.4. The Board shall ensure that administrative overheads shall not exceed 5% of total CSR expenditure for the financial year

Transfer of Unspent CSR Amount

8.0. In case of Ongoing Project, Unspent amount, if any, shall be transferred to a special account opened by the Company within 30 days from end of financial year and such amount shall be spent by the Company within 3 financial years from date of transfer, failing which, the company shall transfer the same to a fund specified in Schedule VII, within a period of 30 days from the date of completion of the 3rd financial year.

8.1. In case of Unspent amount other than ongoing projects shall be transferred to a fund specified in Schedule VII within 6 months from end of financial year.

Treatment of surplus amount arising from CSR activities:

9.0. Any surplus arising from CSR activities in any financial year may be set off against the requirement to spend under Section 135(5) up to immediately succeeding 3 financial years provided that the excess amount available does not include the surplus arising out of the CSR activities and the Board of Directors pass a Resolution to that effect and such other conditions as may be prescribed under the Rules.

Website disclosure

10.0 The Board shall disclose the composition of CSR Committee, if any; CSR Policy and Projects approved by it on its website.

Amendment

11.0. The Board/CSR Committee shall review and amend this Policy from time to time as and when necessary.

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Act. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail over the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc
