

PTC INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

(issue date - _____, 2013)

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1. Preamble:

PTC Industries Limited has been manufacturing high quality engineering components for various critical and super-critical applications for more than 54 years. PTC has three fully equipped plants using the best technologies like Replicast®, RapidCast™ and ForgeCAST™ with the latest machineries and a high level of automation in Uttar Pradesh and Gujarat. PTC exports over 75% of its products to various countries across the world to renowned customers like Rolls Royce, Siemens, GE, Alstom, Metso, and Emerson, amongst others.

PTC has always been sensitive towards the society, workers and other stakeholders and has been contributing towards CSR in its own manner. In the 51st year of journey PTC has decided to codify its CSR policy to prepare itself for a new era of innovation leading to sustainable and profitable growth, while creating long term value for our shareholders, our people and our customers, as clearly defined in its mission statement:

- **Aspiring**, to be a full service supplier for our customers, thereby becoming an integral part of their value chain.
- **Innovating**, not just to keep pace with the present, but by becoming leaders in pioneering new technologies, products and processes.
- **Achieving**, a standard of quality such that quality becomes a part of the consciousness of each and every worker

2. Objectives:

The main objective of CSR Policy is to lay down guidelines for undertaking CSR initiatives in line with the rules framed by the Government of India for making sustainable growth along with sustainable development of society. PTC will act as a good Corporate Citizen, subscribing to the Global standards. PTC would also aim to

minimize social risks associated with operations of the project site through the policies described in the document.

3. Areas to be covered:

The poor and needy section of the society living in different part of the Country would normally be covered. 80% of the budgeted amount shall be spent on CSR activities within the radius of 25 Km of the PTC plant & 20% of the budget would be spent on CSR activities with in the state in which PTC plant is located. In case of multi location/multi state plants CSR committee shall have powers to allocate the CSR budget, as it deem fit.

4. Activities:

PTC shall undertake CSR activities in following areas:

1. Skill Development
2. Education
3. Health care
4. Safe drinking water
5. Social Empowerment
6. Sports & culture
7. Training & Employment
8. Grant/donation/financial assistance/sponsorship to reputed NGO's engaged in the upliftment of the society

On recommendation of CSR Committee, the Board may review and change the above list. CSR Committee shall frame detailed guidelines for undertaking the above activities.

5. Funding:

For undertaking CSR initiatives PTC shall mainly have two type of funds:

Internal: In line with the provisions of section 135 of the Companies Act, 2013, on recommendation of CSR committee the Board shall allocate up to 2% of average net profit during last three financial years, for CSR budget for each financial year. If CSR committee no allocation for particular year, it shall submit its recommendations justifying reasons. The Board shall have power to accept (with or without modifications)/reject the recommendations, but shall have to record its reasons for making any deviation. It is clarified that any income on funds allocated for CSR or surplus arising out of the CSR activity will not be part of business profits of a company, but shall part of CSR Corpus and shall be used for CSR.

External: CSR Committee shall have powers to raise funds, accept grants/donations/sponsorship etc. in CSR vehicle chosen for undertaking CSR initiatives.

6. Implementation:

- a) **Identification:** In line with the guidelines framed by CSR Committee the CSR activities proposed to be undertaken with the allocated budget shall be identified.
- b) **Project:** Each activity shall be undertaken as a project and shall be Project report shall be approved by the Board on the recommendation of the CSR Committee. Project Report shall clearly define mile stones and evaluation mechanism.
- c) **Team Creation:** Each project shall be headed by responsible officer of PTC, nominated by CSR committee. PTC shall form a CSR team, comprising of

finance, HR & other executives, to look after CSR project. Generally each project should have – Project Head and appropriate persons to handle accounting/finance, operations, MIS, evaluation etc. Depending on specific activities, experts/professionals can also be engaged, on a contract basis, for planning and implementation of project. Volunteering by family members of employees would be promoted.

- d) **Training & Capacity Building:** PTC would endeavor to generate awareness among all levels of their staff and volunteers on CSR projects so as to integrate its social processes with the business. It will also make efforts to train the staff in building capacity and sensitization on continuous basis. PTC would also make efforts to build capacity of other stake holders and volunteers by sharing knowledge and experience of CSR projects, in particular on implementation and monitoring aspects.
- e) **Consultation & Participation:** For institutionalizing community and local administrations' participation for preparation, implementation and monitoring site related CSR projects, PTC would establish a Consultation & Participation mechanism with the stake holders including representatives of neighboring community, focused sections like women etc. & district administration. The committee may normally meet every quarter or as per need and requirement. The minutes of the meetings would be documented and shared among all members of the community.

7. Monitoring:

A Two-tier monitoring mechanism for the CSR projects would be developed. Template of monitoring report is provided at Annexure – 1.

- a) **Internal:** The implementation of identified CSR Projects at the operating station would be regularly monitored, there, preferably on a monthly basis by group setup by CSR Committee and shall be updated on website of PTC. Progress of the activities would also be reviewed at yearly basis and report will be submitted to PTC Management.
- b) **External:** For each activity/ project planned to be executed, a monitoring committee, comprising of representatives of executing agency, beneficiary target village and actual users / their representatives may be constituted, who would oversee the execution of the work for the purpose of satisfactory completion in terms of cost / time parameters. The committee would also provide required feedback and inputs to formulate and improve the projects in future, from time to time, as per need and requirement. On recommendation of CSR Committee monitoring may also be undertaken by specialized agencies.

8. Evaluation Audit:

Evaluation Audit generally shall be undertaken on completion of particular project. However if CSR Committee desires it may be undertaken at such intervals as may be directed. Evaluation Audit team shall be constituted by CSR Committee and may include experts/professional from outside as well. Audit team shall evaluate the impact of project and submit its report to the CSR Committee for onward submission to the Board alongwith its comments.

9. CSR Report:

In terms of the requirement of section 135 of the Companies Act, 2013 and rules made there under CSR Report shall be prepared on annual basis in proforma

prescribed there under (Annexure - 2) and shall be annexed with the Annual Report of PTC and also placed on website. CSR Committee shall also submit a responsibility statement that CSR policy has been followed in letter and spirit in compliance with CSR Objectives.

10.Changes/ Modification in CSR Policy:

Changes in CSR Policy can be made on the recommendation of CSR Committee by the Board of PTC. Updated CSR Policy shall be placed on website and informed to all concerned.

Template of Monitoring Report

Part A: Cover page

Operating Station/offices other locations:

Reporting period:

Geographical area of intervention: name of the villages, map of the villages:

Summary of projects being reported:

Part B: Achievements

Name of the sub project/ sub project code	Intended outputs	Outputs achieved	Intended activities	Activities accomplished
Xxx				

Challenges: (Challenges would incorporate the reasons of deviations in the indented and achieved/ accomplished outputs/activities)

sub project/ sub project code	Break up of budget allocated for the reporting duration	Break up of amount spent for the reporting duration	Reasons for deviation
Xxx	Xxx		

Part C: Sector-wise achievement analysis

Sub project	Quantifiable indicators/ deliverables	Situation as per baseline survey	Situation as per previous report	Present situation	Remarks on progress /achievement/ challenges
Eg. Education					
Eg. Health					
Eg. Sanitation					

Part D: Support received from the local authorities/government

Part E: Case studies / success stories

Part F: Lessons learnt

Part G: Intended outputs and activities for the next reporting period

TEMPLATE OF CSR REPORT

1. Provide a brief outline of the company's CSR policy including the statement of intent reflecting the ethos of the company, broad areas of CSR interest and an overview of activities proposed to be undertaken.
2. Indicate the web-link to the CSR Policy. The Policy should include the full list of projects/activities/programmes proposed to be undertaken by the company.
3. The composition of the CSR Committee.
4. Average Net Profit of the company for last 3 financial years
5. Threshold Limit-(2% of this amount as in 4 above)
6. Details of CSR activities/projects undertaken during the year:
 - a. total amount to be spent for the year: b. amount carried forward from earlier years:
 - c. amount spent during the year as below: d. amount carried forward for the year.

1. Sr No.	2. CSR project/a ctivity identified	3. Sector in which the Project is covere	4. Projects/Prog rammes 1. Local area/others-	5. Amount outlay (budget) project/	6. Amount spent on the project/ progra	7. Cumulati ve spend upto to the	8. Amount spent: Direct/thro ugh implementin
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		d	2.specify the state /district (Name of the District/s, State/s where project/programe was undertaken	programe wise	mme Subhead 1. Direct expenditure on project, 2.Overheads:	reporting period.	g agency*
1.							
2.							
3.							
	TOTAL						

**Give details of implementing Agency:*

7. In case the company has failed to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, please provide the reasons for not spending the amount
8. A Responsibility statement, of the CSR Committee, that the CSR policy implementation and monitoring thereof is, in letter and spirit, in compliance with CSR objectives.

Signed

(CEO/Managing Director/Director)

(Chairman CSR Committee)
