

# **HITECH CORPORATION LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

(Approved by the Board of Directors at its Meeting held on 10<sup>th</sup> February, 2021)

# HITECH CORPORATION LIMITED

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. SHORT TITLE AND APPLICABILITY

- 1.1 This policy, which encompasses the philosophy of Hitech Corporation Limited (**"Company"**) for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large, is titled as the **'CSR Policy'**.
- 1.2 This policy shall apply to all Corporate Social Responsibility (**"CSR"**) initiatives and activities to be undertaken by the Company.
- 1.3 This CSR Policy shall operate as the Corporate Social Responsibility Policy of the Company for the purposes of Section 135 of the Companies Act, 2013, and the Rules made thereunder, as amended from time to time.

### 2. VISION AND OBJECTIVE

- 2.1 In alignment with the vision of the Company, the Company, through its CSR initiatives is committed to continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a socially responsible corporate.
- 2.2 **The objectives of the CSR Policy are to:**
  - 2.2.1 Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
  - 2.2.2 To directly or indirectly take up activities, projects and programmes that benefit the communities in and around its work centers, which comprise the weaker section of rural and tribal India with no access to basic amenities, which would result over a period of time in enhancing the quality of life and economic well-being of the local populace.

- 2.2.3 To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive image of the Company as a socially responsible corporate entity.

### **3. CSR PROJECTS / PROGRAMES**

- 3.1. The Company proposes to serve the society by undertaking CSR projects / programs by proactively responding to the needs of the community preferably in the economic proximity of the Company's operations.
- 3.2. The Company proposes to adopt one or more of the following CSR projects / programs / activities, which are as prescribed by applicable laws, including Schedule VII of the Companies Act, 2013, as amended from time to time:
  - 3.2.1 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;
  - 3.2.2 Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
  - 3.2.3 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;
  - 3.2.4 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;
  - 3.2.5 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 art and handicrafts;
  - 3.2.6 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;
  - 3.2.7 Training to promote rural sports, nationally recognised sports, Paralympic sports and olympic sports;
  - 3.2.8 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 govt. for socio economic development and relief

and welfare of the schedule caste, tribes, other backward classes, minorities and women;

3.2.9 Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.;

3.2.10 (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).

3.2.11 rural development projects;

3.2.12 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.

3.2.13 Disaster management, including relief, rehabilitation and reconstruction Activities.

3.3. The CSR activities shall be undertaken within the territory of the Republic of India.

3.4. The contents of the CSR Policy of the Company shall be disclosed by the Company in its Annual Report and also displayed on the Company's website.

#### **4. CSR COMMITTEE**

4.1. The CSR Committee of the Company shall comprise of three or more Directors, of which at least one shall be an Independent Director.

4.2. Where composition of Committee is not required pursuant to Section 135 of the Companies Act, 2013, and the Rules made thereunder, as amended from time to

time, the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

- 4.3. The CSR Policy and programs shall be implemented, managed and supervised by the CSR Committee appointed by the Board of Directors of the Company (**“CSR Committee”**).
- 4.4. The CSR Committee shall at all times comprise of such number of Directors as is mandatorily required by applicable laws.
- 4.5. The CSR Committee shall formulate an Annual Action Plan with briefly including and not limited to following;
  - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
  - ii. the manner of execution of such projects or programmes.
  - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes.
  - iv. monitoring and reporting mechanism for the projects or programmes.
  - v. details of need and impact assessment, if any, for the projects undertaken by the company.

An Annual Action Plan shall be placed before the Committee on yearly basis for its approval and recommendation to the Board.

## **5. ROLES AND RESPONSIBILITIES OF THE CSR COMMITTEE**

The CSR Committee shall:

- 5.1. Formulate and recommend to the Board of Directors, the CSR Policy of the Company and indicate to it the projects, programs and activities to be undertaken by the Company;
- 5.2. Decide the CSR projects, programs and activities to be undertaken by the Company, either directly or through registered trust, or registered society, or a Company established by the Company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013, which registered trust, registered society, or section 8 Company shall have an established track record of 3 years in undertaking CSR activities, projects and programs;
- 5.3. Place before the Board for its approval the CSR activities, projects, programs proposed to be undertaken by the Company in each financial year, along with the proposed expenditure in respect of each activity, project and program for the said financial year;
- 5.4. Oversee the progress of the CSR activities, projects and programs rolled out under the said Policy on a quarterly basis;

- 5.5. Define and monitor the budgets for the carrying out the CSR activities, projects and programs;
- 5.6. Determine the amount of expenditure for each CSR activity, project and program and recommend the same to the Board;
- 5.7. Submit a Report to the Board of Directors on quarterly basis of all CSR Activities undertaken by the Company during the financial year;
- 5.8. Implement, monitor and review the CSR Policy of the Company.

## **6. ROLE AND RESPONSIBILITIES OF THE BOARD**

- 6.1. The Board shall consider the CSR Policy formulated by the CSR Committee and approve the same with or without modifications, if any.
- 6.2. The Board shall take into account recommendations of the CSR Committee and provide appropriate instructions / directions to the CSR Committee when required.
- 6.3. The Board shall ensure that the CSR activities included by the Company in the CSR Policy are in accordance with Schedule VII of the Companies Act, 2013, as amended from time to time.
- 6.4. The Board shall consider the budgetary allocation proposed by the CSR Committee and approve the same with or without modifications.
- 6.5. The Board shall ensure that the CSR activities undertaken by the Company are in accordance with the CSR Policy of the Company.
- 6.6. The Board shall monitor the CSR activities of the Company in order to ensure that the same are in accordance with the Company's CSR Policy and the applicable law.

## **7. FINANCIAL OUTLAY FOR CSR ACTIVITIES**

- 7.1. Every year, the Company shall with the approval of its Board of Directors make a budgetary allocation for CSR activities, projects, programs for the year. The budgetary allocation will be based on the profitability of the Company and the requirements of applicable law.
- 7.2. The board shall ensure that the administrative overheads ("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.), shall not exceed five percent of total CSR expenditure of the company for the financial year.

- 7.3. The Company expects to spend the budgeted amount allocated for CSR activities, projects and programs planned for each financial year, within that year. The CSR Committee and the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR activities as planned for that year in the Annual Report of the Company.
- 7.4. Any surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

## **8. IMPLEMENTATION**

- 8.1. For effective implementation, long-term CSR plans will be broken down into medium-term and short-term plans. Each plan recommended by the CSR Committee should specify the CSR activities planned to be undertaken for each year, the budget required for the same, define the responsibilities of the designated authorities to be engaged in the said task, and also prescribe the measurable and the expected outcome and social/ environmental impact of the CSR activity.
- 8.2. The Company recognises that the period of implementation of its long term CSR projects can extend over several years depending upon the expected outcome/ impact thereof. While planning for such long term projects the CSR Committee should estimate the total cost of each project and recommend to the Board of Directors of the Company that the Company should commit such amount for long term expenditure till completion of the said project.
- 8.3. The Company may take up the implementation of CSR projects with its own manpower and resources, if the CSR Committee is confident of its organizational capability to execute such projects.
- 8.4. Employees of the Company shall be encouraged to support the CSR activities, projects, programs of the Company by contributing and sharing their time and skills towards the causes they feel passionate about.

## **9. EXECUTING AGENCY**

- 9.1 While the Company may build CSR capacity of its own personnel, however if in the opinion of the CSR Committee, the implementation of CSR projects requires specialized knowledge and skills, and if the Company does not have such expertise in-house, the wherewithal and dedicated staff to implement such activities, projects, programs, the CSR Committee may decide to avail the services of external specialized agencies, with established track record of atleast three financial years, but such expenditure, including expenditure on administrative

overheads shall not exceed five percent of the total CSR expenditure of the Company in one financial year.

- 9.2 Such external agency shall carry out and implement shall be registered with ROC or with any other Regulatory Authority, as and when notified time to time basis.
- 9.3 Such external agency shall carry out and implement the CSR activities, projects and programs in accordance with the terms and conditions agreed between the Company and the external agency.
- 9.4 The Company may also collaborate with other companies for undertaking CSR activities, projects or programs in a manner that the CSR Committees of the respective companies are in a position to report separately on such activities, projects and programs.

## **10. MONITORING**

- 10.1. The Company recognises that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of targets. Monitoring may be done periodically with the help of identified key performance indicators, the periodicity being determined primarily by the nature of key performance indicators.
- 10.2. Monitoring will be done in project mode with continuous feedback mechanism, and recourse always available for mid-course correction in implementation, whenever required.
- 10.3. The performance of the Company's CSR activities would be monitored on the basis of their achievement of annual targets and the utilization of their annual budgets for the activities planned and the targets set for each year.
- 10.4. Implementation and monitoring of the CSR activities will be overseen by the CSR Committee. The monitoring and evaluation may however be assigned by the CSR Committee to an independent external agency for the sake of objectivity and transparency.
- 10.5. If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives of the Company for this purpose.

## **11. GENERAL**

- 11.1. The CSR Policy of the Company shall be posted on the web-site of the Company and appropriate disclosures shall be made in the Annual Report of the Company in accordance with the Companies Act, 2013.



- 11.2. In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
- 11.3. All provisions of the CSR Policy would be subject to revision/amendment in accordance with applicable laws.

## **12. AMENDMENTS TO THE POLICY**

- 12.1. The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, said CSR Policy would be subject to modification. Any amendment of any provision of the said Policy shall be approved in writing by the Company's Board as per the recommendations of the CSR Committee and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment.

## **13. CONTACT**

For queries related to the CSR Policy, contact:

Ms. Namita Tiwari  
Company Secretary & Compliance Officer  
Hitech Corporation Limited  
Unit No. 201, 2nd Floor, Welspun House, Kamala City,  
Senapati Bapat Marg, Lower Parel – West,  
Mumbai – 400 013. Maharashtra. India.  
Tel: 022- 2400 165 08  
E-mail Id: [namita.tiwari@hitechgroup.com](mailto:namita.tiwari@hitechgroup.com)