

CORPORATE SOCIAL RESPONSIBILITY POLICY

OBJECTIVES:

Hitech Specialities Solutions Limited (HSSL) is committed to take initiatives in social useful programs and to improve the living standards of the communities in the locations where it operates. The CSR policy of the Company is laid out as under.

PURPOSE:

The purpose of this policy is to define the overall framework of the Corporate Social Responsibility (CSR) at HSSL.

APPLICABILITY:

As required under Section 135 of the Companies Act 2013 (Act) and in accordance with Companies (Corporate Social Responsibility Policy) Rules 2014 (Rules) made thereunder, including any amendments thereto, the CSR Policy has been developed and shall apply to all CSR projects/ programs undertaken by HSSL.

SCOPE AND APPROACH:

The CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of schedule VII of Companies Act, 2013, read with The Companies (Corporate Social Responsibility Policy) Rules 2014 (including any statutory modification(s) or reenactment thereof for the time being in force). Preference shall be given to activities relating to promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects and 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. These programs will be executed by the Company and where appropriate in partnership with local government, various NGO partners, service providers and others.

CSR IMPLEMENTATION:

1. The Board shall ensure that only the activities that are in areas or subject, specified in Schedule VII are undertaken.
2. The Board shall ensure that CSR activities are undertaken by entities registered with Central Government Monitor the implementation of the ongoing project with reference to the approved

timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

3. The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and CFO or the person responsible for financial management shall certify to the effect.
4. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

EXECUTING AGENCY:

1. While the Company may build CSR capacity of its own personnel, however if in the opinion of the Board, 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 Board 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.
2. 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.
3. The Company may also collaborate with other companies/NGOs/Clubs undertaking social upliftment activities for undertaking CSR activities, projects or programs in a manner that the CSR Committees/Board of the respective companies are in a position to report separately on such activities, projects and programs.

CSR EXPENDITURE:

1. The Board shall approve the amount of expenditure to be incurred on the activities referred in Schedule VII
2. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year
3. Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - (ii) the Board of the company shall pass a resolution to that effect.
4. To ensure that any surplus arising out of the CSR activities shall not form part of the business profit of a 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, within a period of six months of the expiry of the financial year

ANNUAL ACTION PLAN:

Board shall formulate an annual action plan in pursuance of its CSR policy which shall include the following, namely: -

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- (c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company:

The Board of HSSL may alter such plan at any time during the financial year, based on the reasonable justification to that effect.

REPORTING AND RECORD KEEPING:

1. The Board's report of the Company shall include an annual report on CSR containing the particulars and such other details as may be prescribed from time to time under the Act and the CSR Rules.
2. The Board will be responsible to ensure that:
 - (i) The contents of the latest and updated version of the CSR Policy is included in the Board's report;
 - (ii) CSR Policy and Projects approved by the Board are available on website, if any, for public access
 - (iii) In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board's report.

AMENDMENTS IN THE POLICY:

Any amendments in this policy is subject to approval of the Board of Directors. In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over this Policy.
