

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

**Approved on September 26, 2018**

**Philosophy:** We, Heranba Industries Limited ("Company") is responsible organization with high regard for community well-being and human welfare. Heranba Industries Limited today fulfils this obligation by being involved in sustainable business which touches the life and livelihoods of thousands of Farmers and their Families. Along the way, Heranba is also closely associated with NGOs which operates by touching upon some basic but most necessary needs such as HEALTH CARE to ultimately address fundamental ethical issues such as inclusion, dignity and equality.

**Preamble:** This Corporate Social Responsibility (CSR) Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare & sustainable development of the community at large. It is Company's conscious strategy to design and implement CSR programs, that encompass the disadvantaged sections of society. This Policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, under privileged and differently abled persons.

**Scope / List of CSR Activities:** The Company would carry out its CSR activities as specified below, but will not be limited to the following:-

- Entrusted to distribute necessary and useful appliances for Physically Impaired to all those needy people.
- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- Contribution to the Prime Minister's National Relief 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;

Without prejudice to the above, following activities, by way of illustration, may also be carried out by the Company, if it deems fit:

- Curative health care, surgery, eye donation camps, skin donation camps, blood donation activities, therapy camps, dental camps, acupressure camps, cataract camps, etc.
- Disaster management activities and Relief to victims of natural calamities.
- Activities relating to irrigation, wells, dams etc. for improving livelihood of farmers and agriculturists.

**What is not CSR**

CSR activities will not, however, include the following:

- Activities undertaken in pursuance of Company's normal course of business;
- Activities which benefit only the employees of the Company and their families;
- Contribution directly or indirectly to any political parties;
- Activities undertaken outside the country;

**Modalities of Execution of Projects / Programs****a) CSR Committee:**

The CSR Committee will consist of one director, who shall meet at least once in a year to discuss and review the CSR activities and policy.

**b) Duties and Responsibilities of CSR Committee:**

The CSR Committee constituted in pursuance of Section 135 of the Companies Act, 2013 shall be required to carry out the following activities:

- To formulate and recommend to the Board, a CSR policy;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken for approval of the Board;
- To monitor the CSR policy and the CSR activity and report to the Board from time to time;
- Review the various proposals and identify the eligible entities/agencies for allocation of CSR amount;
- Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;
- Monitor and review periodically the CSR activities and submit the reports to the Board in respect of the CSR activities undertaken by the Company.

**c) CSR medium / Operation:**

- i. CSR activities will be undertaken directly or through a registered trust or a 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.
- ii. If any donation/contribution is to be given to any other entity for CSR activity, preference will be given to such entities/Trust having track record in undertaking similar programs or projects.
- iii. Further, in such a case, the Company will specify the project or programme to be undertaken through these entities, the modalities of utilization of funds on such projects or programs and the monitoring and reporting mechanism.

- iv. The Company may also collaborate with other companies for undertaking projects or programs in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the prescribed CSR Rules.
- v. The entities that conduct social projects on behalf of the company or receive funds to realise programs must have knowledge and experience in the respective area, be transparent and integrity in their operations and have no other goal than the common good.
- vi. The Company may build CSR capacities of its own personnel as well as those of the implementing agencies through institutions with established track records, subject to the prescribed CSR rules.
- vii. Implementation will be done as per the requirement of the project or programme which is envisaged. Endeavour will be made to implement it over a year or so. However, as per the specific requirements of the activity, the schedule may be over a longer duration.
- viii. The CSR Cell may also work with any NGO's or institution to design and implement innovative projects independently or through partnership between institutions/trust.
- ix. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- x. The process for implementation of CSR programs will involve the identification of programs, area of CSR activities, project based approach, time period, cost of the project etc.
- xi. All proposals under CSR activity would be referred to the CSR Cell. After evaluation, CSR Cell may put forward the proposals of CSR along with their comments to CSR Committee.
- xii. The CSR Committee would recommend the proposal of CSR and the amount of expenditure to be incurred on the same to the Board for its approval.

**e) Monitoring & Assessment:**

- Release of funds for CSR Project/Program: The amounts sanctioned for a CSR project or programme, will be released in stages or instalments as per progress, as may be determined by the CSR Committee. CSR Committee may design the procedure/ guidelines applicable from time to time and release of funds to any project in a year shall be as per the guidelines finalized by the CSR Committee.
- Review by the Board/CSR committee: On a quarterly basis, the Board of Directors and CSR Committee will review the implementation of CSR and financial reports (controlling of funds).
- Utilization Certificate: Funds released/to be released to the implementing agency would be based on satisfactory utilization certificate duly certified by an authorized officer/CEO of the donee entity and satisfactory performance report submitted by the said person, as may be decided by the CSR Committee.
- External Agency assessment: The impact assessment/evaluation of major projects may be carried out by an external agency to critically assess the fulfilment of project objectives.
- Audit: The amount spent on CSR by the Company will be subject to audit.
- Reporting in the Annual Report of the Company: CSR Policy and initiatives of the Company will be reported in the Annual Report of the Company in the manner

- prescribed under the CSR Rules. All the CSR and Sustainability projects would be documented and hosted on the Company website also.

**f) Amendments to the policy:**

The CSR Policy referred to above is to be read in conjunction with Companies Act, 2013 and Companies (Corporate Social Responsibilities Policy) Rules, 2014. Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued from the Statutory Authority from time to time or as decided by the Board of Directors on its own and/or on the recommendation of CSR committee. The above Policy Guidelines are subject to review at suitable intervals and subject to revision accordingly.