

HIRANMAYE ENERGY LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY

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CORPORATE SOCIAL RESPONSIBILITY POLICY

In Hiranmaye Energy Limited (hereinafter referred to as “**the Company**”), Corporate Social Responsibility (hereinafter referred to as “**CSR**”) is traditionally driven by moral obligation and philanthropic spirit. Over time CSR has become an integral part of every business. The Company recognises its sense of responsibility towards the community and the environment in which it operates. The Company believes that by exhibiting socially, environmentally and ethically responsible behaviour in governance of its operations, the business can generate value and long term sustainability for itself while making positive contribution for the betterment of the society. The Company invests a part of its profits/revenues beyond business, for the larger good of the society. It is therefore a conscious strategy to design and implement CSR projects/programmes/activities that encompass the most disadvantaged sections of society through economic empowerment.

The Corporate Social Responsibility Policy (hereinafter referred to as the “**Policy**”) has been formulated in terms of the provisions of the Companies Act, 2013 (hereinafter referred to as the “**Act**”) read with the Rules framed thereunder as amended from time to time and is approved and adopted by the Board of Directors (hereinafter referred to as the “**Board**”) based on the recommendation of the Corporate Social Responsibility Committee.

OBJECTIVES OF THE POLICY

The CSR Policy is a statement containing the approach and direction of the Board, duly recommended by the CSR Committee and gives herein below the guiding principles for selection, implementation and monitoring of CSR activities of the Company as well as for the formulation of its Annual Action Plans. Therefore, the Policy shall function as a built-in, self-regulating mechanism whereby the Company will monitor and ensure positive contribution to society through high impact sustainable programmes.

The CSR policy seeks:

- To provide a framework of activities to be undertaken by the Company in the areas or subject, specified in Schedule VII to the Act;
- To specify the modalities of selection and implementation of the CSR Project or programmes;
- To establish a monitoring process of the CSR projects or programmes.

Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

CONSTITUTION AND TERMS OF REFERENCE OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a **Corporate Social Responsibility Committee** (hereinafter referred to as “**the Committee**”) in line with the requirements of the Act read with the Rules framed thereunder.

The roles and responsibilities of the Committee shall include the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subject, specified in Schedule VII of the Act;
- The Committee may review the Policy as and when it deems fit and recommend any changes or modifications for approval of the Board;
- To recommend the amount of expenditure to be incurred on the CSR activities referred to in the Policy;
- To monitor the Policy of the Company from time to time;
- To formulate and recommend to the Board, a CSR Annual Action Plan in pursuance of

its CSR policy and to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect;

- To institute/prepare a transparent monitoring mechanism for ensuring implementation of the CSR projects / programmes / activities proposed to be undertaken by the Company;
- To perform such other functions as may be provided in the Policy of the Company or as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

The Committee shall have the power to carry out the aforesaid functions either by itself or through any other delegated authority in accordance with the provisions of the Act.

CSR FRAMEWORK

CSR ACTIVITIES

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) and amendments made thereto. The Company shall undertake activities relating to the following subjects, preferably in the Local areas and areas around it where it operates, in order to discharge its CSR obligations:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care, sanitation, making available safe drinking water, safety traffic engineering and awareness through print, audio & visual media.
- Promoting education, research and studies including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled, livelihood enhancement projects & Non Academic Technopark TBI;
- 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; enabling access to or improving the delivery of public health systems & re-development or EWS housing;
- Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, maintaining quality of soil, air & water, product life cycle analysis and renewable energy projects;
- Employment enhancing vocational skills, farm management practices & training agriculture labour on skill management;
- 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;
- 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;
- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- 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 schedule caste, tribes, other backward classes, minorities and women;
- (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);

- Rural development projects, programmes or activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company;
- 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;
- Disaster management, including relief, rehabilitation and reconstruction activities;
- Such other activities included in Schedule VII of the Companies Act, 2013 as maybe identified by the CSR Committee from time to time which are not expressly prohibited.

Exclusions from CSR

The following projects/ programmes or activities shall be outside the purview of CSR as per the provisions of the Act.

- Activities undertaken by the Company in the normal course of Business;
- Any CSR projects or programmes or activities undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- The CSR projects or programmes or activities that are exclusively for the benefit of the employees of the Company as defined in clause 2(k) of the Code of Wages, 2019;
- Any contribution made by the Company directly or indirectly to any Political party under section 182 of the Act;
- Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
- Activities carried out for fulfillment of any other statutory obligations under any law in force in India;

CSR ANNUAL ACTION PLAN (CAAP)

The CSR Committee shall formulate and recommend to the Board, a CAAP in pursuance of this Policy, which shall include the following:

- (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;
- (c) the modalities of utilisation 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, if applicable, subject to the limit as prescribed in rule 8 (3)(c) of the Companies (CSR Policy) Rules, 2014

The Board of Directors may approve the CAAP with such further conditions as it may deem fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

SELECTION OF ACTIVITIES

The Officer of the Company who is in charge of CSR activities shall be responsible to identify the programmes / projects which are need-based, keeping in mind the requirements of the Community. Professional agencies/consultants may be engaged in conducting need based assessment in programmes / projects, wherever required. The Company may engage international organisations for designing of the CSR programmes / projects as per the Policy.

PLANNING AND IMPLEMENTATION

The CSR activities shall be undertaken by the Company within the ambit of the Policy, either as new or ongoing programmes / projects or activities.

The CSR activities may be undertaken either:

- (a) Singly or by collaborating with other Companies for undertaking projects or programmes or activities, in such a manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programmes in accordance with the provisions of the Act and the Rules framed there under; or
- (b) Through a Company established under section 8 of the Act or a Registered Public Trust or a Registered Society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961) established by the Company, either singly or along with any other company, or
- (c) Through a Company established under section 8 of the Act or a Registered Trust or a Registered Society, established by the Central Government or State Government, or
- (d) Through any entity established under an Act of Parliament or a State legislature.
- (e) Through a Company established under section 8 of the Act or a Registered Public trust or a Registered Society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company shall also specify the projects or programmes to be undertaken through these entities, the modalities of utilisation of funds of such projects and programmes and the monitoring and reporting mechanism.

The Officer in charge of selecting the CSR activities shall ensure that every entity, covered under (b) to (e) above has been allotted a unique CSR Registration Number by the Central Government.

MONITORING & REVIEW

- The projects and initiatives undertaken by the Company shall be closely reviewed by the Committee or any other person as the Committee may authorise.
- The Committee may authorise any official of the Company to monitor and ensure proper utilization of the CSR Budget, as approved by the Board on the recommendation of the Committee, in accordance with the provisions laid down in the Act.
- Feedback may be obtained from the beneficiaries and/or local authorities about the CSR programmes, as and when required.
- Field visits / surveys may be conducted by the respective CSR team to ensure the progress of the CSR programmes. The visits / surveys may be informed and surprised also.
- The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or in the absence of the Chief Financial Officer, the person responsible for financial management shall certify to the effect.
- In case of ongoing project, the Board 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.
- The Committee shall give an annual report on the CSR activities undertaken by the Company during the Financial Year, in the format prescribed under the provisions of

the Act, which shall be annexed to the Board's Report of the Company.

The Company may engage international organisation for monitoring and evaluation of the CSR projects or programmes.

OUTLAY & FUNDING

The CSR Budget shall be at least 2 (two) per cent of the average net profits of the three immediately preceding financial years and shall be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Act. The net profit will be estimated in accordance with the provisions of Section 198 of the Act read with the Companies (Corporate Social Responsibility Rules), 2014 and any other amendments made thereto.

Administrative Overheads:

The Company may spend up to 5 (five) percent of its total CSR expenditure towards Administrative Overheads subject to approval of the Board of Directors;

"Administrative Overheads" shall mean the expense incurred by the Company for 'General Management & Administration' of the CSR 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 programmes.

Surplus of CSR Activities:

Any surplus arising out of the CSR activities shall not form part of the business profits of the Company and shall be treated as follows:

- a. Ploughed back into the same project; or
- b. Transferred to an Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company; or
- c. Transferred to a Fund specified in Schedule VII to the Act, within the prescribed timeline as specified in the CSRRules.

If the Company fails to spend such amount, the Board of Directors shall in its report under clause (o) of sub-section (3) of section 134 of the Act, specify the reasons for not spending the amount and such unspent amount shall be dealt with in accordance with the provisions of Section 135 (5) & (6) of the Act and Rule 10 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 as may be amended from time to time.

Excess CSR Spent:

Where the Company spends an amount in excess of the requirements of its CSR obligations in a financial year, such excess amount may be set-off by the Board against the requirement of the CSR spending under sub-section (5) of Section 135 upto the immediate succeeding 3 financial years subject to the fulfillment of conditions as specified under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 as may be amended from time to time.

Creation or Acquisition of Capital Assets:

The Company may spend its CSR amount for creation or acquisition of the Capital Asset subject to the fulfillment of conditions as specified under the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by -

- a. A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.
- b. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities;
or
- c. A public authority

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with this requirement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

SUPPLEMENTARY PROVISION

- All the words and expressions used in this Policy, unless defined herein, shall have meaning respectively assigned to them under the Act and the Rules, Notifications and Circulars made/issued there under, as amended, from time to time.
- The implementation of the Policy shall be monitored by the Committee and/or the Board from time to time. The Committee may review the Policy as and when it deems fit and recommend any changes or modifications for approval of the Board of Directors.
- Compliance of the Policy shall be the responsibility of the Chief Financial Officer of the Company.
- In case of any subsequent changes in the provisions of the Act and the Rules, Notifications and Circulars made/issued there under which makes any of the provisions in the policy inconsistent with the Act and the Rules, Notifications and Circulars made/issued there under, then the provisions of the Act and the Rules, Notifications and Circulars made/issued there under would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.