

HINDUSTHAN SPECIALITY CHEMICALS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

1. PREFACE

Section 135 of the Companies Act, 2013 (“the Act”), read with Companies (Corporate Social Responsibilities) Rules, 2014 as amended upto date mandates your Company to establish a Corporate Social Responsibility Policy for the matters specified under the Schedule VII of the Act.

2. OUR BELIEF

To actively contribute to the social and economic development of the communities in which we operate by building a better, sustainable way of life for the weaker sections of society and raise the country's human development index. We firmly believe that the benefits from a business must trickle down to the society for any economic development to be sustainable and meaningful. For Hindusthan Speciality Chemicals Limited (HSCL), being a good corporate citizen and doing responsible business is very important and above everything.

3. OBJECT OF THE POLICY:

The object of the policy is to empower the underprivileged children’s and marginalized sections of society by facilitating quality education, espousing social causes, sustainable livelihood and access to alternative livelihood opportunities in order to bring about a long term, sustainable impact on the life of people and the community. The primary object of the policy is to focus on education, health Care, skill development and financial inclusion inter alia includes:

1. Promote education with active involvement in teaching and creating learning environment.
2. Facilitate awareness campaign related to health and hygiene and organize relevant workshops for combating HIV, Malaria and other life threatening diseases.
3. Reach out to masses with real intervention in the fields of women empowerment, gender equality and senior citizen care.
4. Reducing child mortality and improving maternal health.
5. Support youth/ students in employment enhancing vocational skills and to nurture real empathetic leaders.
6. Eradication of hunger and poverty.
7. To undertake other CSR activity as prescribed in the ‘Companies (Corporate Social Responsibility Policy) Rules, 2014.

4. DEFINITIONS:

4.1 “Act” means the Companies Act, 2013

4.2 “Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014.

4.3 “Activities” means the CSR activities of the Company

- 4.4 "CSR Expenditure" means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
- 4.3 "Board" Board means the Board of Director of the Company
- 4.4 "Company" means M/s. Hindusthan Speciality Chemicals Limited and all its offices
- 4.5 "Committee" means Corporate Social Responsibility Committee established under the Companies Act, 2013

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Committee will be comprised of following directors:

1. Mr. Raghavendra Anant Mody (Chairman)
2. Mr. Deepak Kejriwal (Member)
3. Mr. Sadhu Ram Bansal (Member)

The CSR Committee of the Board shall be responsible for:

1. Review of CSR activities in the Company.
2. Formulation of CSR Policy.
3. Monitoring of implementation of CSR Policy.
4. Recommend to the Board, modifications to CSR Policy as and when required.
5. Appraise to the Board the CSR expenditure done during the year.

6. INSTITUTIONAL SET UP

The Company may carry its CSR activities through non-profit organizations established to promote the social welfare having the activities in line with the objects of this policy, for the benefit of the society. Therefore, CSR Activities of the Company shall be carried by making contribution to recognized non-profit organizations on periodic basis, considering the funds allocated by the board from time to time on the recommendation of the committee. The activities of the non-profit organizations will be reviewed by the Committee on half yearly basis and which shall submit a report to the Board on the same accordingly.

7. ACTIVITIES

Subject to the provisions of the Companies Act, 2013 and rules made thereunder, as amended from time to time, the board of directors, considering the objects of the Company, shall carry out various CSR activities specified under Schedule VII of the Companies Act, 2013 as recommended by the Committee from time to time as follows:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (viii) contribution to the prime minister's national relief fund 8[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;
- (ix) (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);
- (x) rural development projects
- (xi) 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

- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

8. MONITORING AND EVALUATION

The CSR Committee shall formulate implementation plans for the projects specifying the following:

- Activities to be undertaken.
- Budgets proposed.
- Time frame for implementation.
- Responsibilities and authorities for implementation.
- Results expected to be achieved post implementation.

The CSR Committee shall on half yearly basis review CSR activities of the Company and impact of the CSR activities shall be quantified to the extent possible. The committee shall submit a progress review report on the same to Board of the Company. The Board may, if it considers necessary, get the evaluation of CSR activities of the Company from external agencies, for having the required inputs and feedbacks of the CSR activities of the Company.

9. ALLOCATION OF FUNDS

1. The Company may every year allocate the funds as required under the provisions of the Act and rules made thereunder or any other sums as may be provided under the various enactments, as applicable to the Company, from time to time, be allocated towards the CSR Activities, subject to the approval of Board of the Company.
2. The Company may voluntarily earmark funds for the CSR activities, as may be approved, by the board from time to time.
3. The allocation of funds may vary depending on the profits and on the need of the society, and will be decided by the board every year.
4. Subject to the clause 9.1, 9.2 and 9.3, the amount earmarked for the CSR activities shall be utilized by the CSR Committee as specified in clause 3 of the policy.

10. REPORTING

The contents of this policy shall be disclosed in the Board Report and shall be displayed on the Company's website i.e. www.hindusthanspeciality.com along with other information as required under the Act and rules made thereunder.

11. PROHIBITED ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY

1. The activities taken outside India.
2. The amount spent on activities for the benefit of the employees of the Company and

their family.

3. Any contribution made to political party shall not be considered as expenditure for the aforesaid purpose.

This CSR Policy is subject to such changes and amendments as may be notified by the Ministry of Corporate Affairs under Section 135 of the Companies Act, 2013 and rules made thereunder and the same shall be read in line with the provisions of the Act applicable to the Company from time to time.