

HY-TECH ENGINEERS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Hy-tech Engineers Limited (“**the Company**”) is committed to contributing towards the society where we live and work and shall aspire to contribute and invest in communities around its operating cities. The Company intends to pursue Corporate Social Responsibility (“**CSR**”) activities which shall have a lasting impact on the social and economic conditions of CSR benefited people and the communities.

OBJECTIVES

This Corporate Social Responsibility Policy of the Company (“**Policy**”) is formed in accordance with the provisions of section 135 of the Companies Act, 2013 (“**Act**”) read with Companies (Corporate Social Responsibility) Rules, 2014 (“**Rules**”) and Schedule VII of the Act, as amended from time to time. The objective of the CSR Policy is to lay down guidelines for the Company’s CSR activities for making a positive contribution to society through social and economic welfare programs.

This Policy shall apply to all CSR projects/ programmes/ activities undertaken by the Company in India as per Schedule VII of the Act read with Rules as amended from time to time.

DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 and shall include any modifications, amendments or re-enactment thereof.

“**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.

“**Agency**” (or Agencies) means any section 8 Company or a registered trust / society / NGO / institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ section 8 Company which is formed by the Company or its holding or subsidiary Company/companies.

“**Approved Budget**” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.

“**Average net profit**” shall be net profit of the Company calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Corporate Social Responsibility Committee**” or “**CSR Committee**” or “**Committee**” shall mean a Committee of the Board of Directors of the Company constituted under provisions of the Act read with Rules thereto constituted for the purpose of undertaking CSR Projects in accordance with applicable law.

“Company” shall mean Hy-tech Engineers Limited, wherever it is referred to in the Policy.

“CSR Annual Plan” shall mean the annual plan detailing the CSR Projects and expenditure towards the respective projects during any financial year.

“CSR Projects” or **“Projects”** means Corporate Social Responsibility projects / activities / programs/ initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.

“Ongoing Project” means a multi-year project undertaken by the Company in fulfilment of CSR obligations having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as the multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

“CSR Policy” or **“Policy”** shall mean the Policy on Corporate Social Responsibility of the Company framed in pursuance of the Act and the Rules thereunder.

“Rules” shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 and shall include any amendments made thereto.

REPORTING, COMPOSITION, QUORUM AND MEETINGS

- i. The Board shall have oversight over CSR Projects and the CSR Committee shall oversee the implementation and compliance of CSR Projects. The CSR Committee shall recommend the Annual Action Plan required under the Rules to the Board for its approval.
- ii. The Committee shall be composed of three or more directors, out of which at least one director shall be an Independent Director.
- iii. The CSR Committee shall meet as and when required.
- iv. The Company Secretary shall act as the Secretary to the Committee.

ROLE OF THE CSR COMMITTEE

The CSR Committee shall:

- a) formulate and recommend the CSR Policy to the Board.
- b) identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- c) institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the Company.
- d) recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.

- e) monitor the implementation of the CSR Policy from time to time and create mechanisms for tracking performance of identified projects or programs.
- f) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in rule 5(2) of the Rules.
- g) discharge such other functions as the Board may deem fit to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, as amended.

ROLE OF THE BOARD

1. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company.
2. Disclose contents of the CSR Policy in its report.
3. Ensure that as and to the extent applicable, in each financial year the Company spends at least 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy.
4. Satisfy itself regarding the utilization of the disbursed CSR fund.
5. In case of Ongoing Projects, the Board of the 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.
6. As the Company's CSR activities evolve further, this CSR Policy may be revised with the approval of the Board as per the recommendations of the CSR Committee to the Board.

CSR ACTIVITIES FOR IMPLEMENTATION

CSR programs of the Company shall be implemented through following methods:

- a) directly by the Company; or
- b) through an Agency; or
- c) in collaboration with other like-minded organizations/group companies.

CSR MONITORING

The Committee shall monitor the implementation of the CSR Projects periodically and if required through field visits as well and inform the Board the details and progress of the implementation.

Monitoring process for CSR Projects shall include the following:

- Evaluation of planned progress v/s actual progress; and
- Actual expenditure V/s expenditure as per the approved budget

CSR ANNUAL PLAN:

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance to its CSR Policy, which shall include the following:

- The list of CSR Projects or programmes that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Act.
- The manner of execution of such projects or programmes.
- An annual budget for the CSR activities which shall be in line with the Applicable Law, including details of utilization of funds and implementation schedules for the projects or programmes; and
- Monitoring and reporting mechanism for the projects or programmes.

The Administrative Overhead for the CSR Activities shall not exceed 5% of total CSR expenditure of the Company for any financial year (or such percentage as prescribed by law from time to time).

ACCOUNTING

Separate Bank Accounts shall be maintained for each project undertaken by the Company.

SURPLUS FROM CSR ACTIVITIES:

Any revenue, returns, and profits, arising from any of the CSR activities, projects or programmes shall not form part of the business profit of the Company and shall be invested into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the 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.

SET-OFF EXCESS CSR SPENT:

Any amount which has been spent in excess of the requirements, such excess amounts may be set off against the requirements to spend up to immediate succeeding three financial years subject to conditions that:

- The excess amount available for set off shall not include the surplus arising out of CSR activities.
- The Board of the Company shall pass a resolution to this effect.

CSR EXPENDITURE & TRANSFER OF UNSPENT CSR AMOUNT:

1. The Board and Committee shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial year for the CSR activities or such other amount as may be required under the Act.
2. However, in case the Company fails to spend such amount, the Board Report shall specify the reasons for not spending the amount and, unless the unspent amount relates to any Ongoing Project,

it shall transfer such unspent amount to a fund specified in Schedule VII, within a period of 6 (six) months of the expiry of the financial year.

3. In case of Ongoing Project, any amount remaining unspent shall be transferred by the Company within a period of 30 (thirty) days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Policy within a period of 3 (three) financial years from the date of such transfer, failing which, the company shall transfer the same to a fund specified in Schedule VII, within a period of 30 (thirty) days from the date of completion of the third financial year.

CSR ACTIVITIES : FOCUS AREAS:

The Company shall undertake CSR activities as recommended by the Committee and in accordance with the Act and the Rules and in particular Schedule VII of the Act and the directions and clarifications issued by the Ministry of Corporate Affairs from time to time in this regard. Such CSR activities may be undertaken in collaboration with other organizations/institutions/trusts, etc, as may be recommended by the Committee from time to time. The Committee is authorized to approve any modification to the existing CSR activities or to propose any new activity during the relevant financial year. The Committee will determine the monitoring mechanism for CSR initiatives and may employ consultants to monitor the progress on the CSR initiatives of the Company

DISPLAY OF CSR ACTIVITIES

The composition of the CSR Committee, CSR Policy and Projects approved by the Board shall be displayed on the Company's website.

IMPACT ASSESSMENT:

Impact assessment, if and when mandated, shall be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR.

AUTHORITY TO MAKE AMENDMENTS:

The CSR Committee shall have the right to make recommendations to the Board with regards to any amendment to the policy and the Board shall have the power to make any amendments to the Policy as it deems fit from time to time, provided that the Policy continues to be in line with the requirements under the Section 135 of the Companies Act and the Corporate Social Responsibility policy rules made there under, for the time being in force.