

Hardcastle Petrofer Private Limited

Corporate Social Responsibility (CSR) Policy

1. Objective

With introduction of CSR regulations under the Companies Act, 2013 (the Act) and corresponding Rules, corporates now have a legal mandate towards their social responsibility. The Company therefore is pledging itself for carrying out such activities as may from time to time be identified and approved within the corporate policy framework.

This Policy shall be read in line with Section 135 of the Act, Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time (the Rules) and such other rules, regulations, circulars and notifications as may be issued from time to time and may, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of the Act to dedicate a percentage of the Company's profits for social welfare projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.

2. Definitions

In this policy document unless the context otherwise requires:

- (a) 'Act' means the Companies Act, 2013 as amended from time to time;
- (b) '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;
- (c) 'Board' means the Company's Board of Directors;
- (d) 'Company' means Hardcastle Petrofer Private Limited and its subsidiaries or associate companies;
- (e) 'Corporate Social Responsibility' means the activities undertaken by a Company in pursuance of its Statutory Obligation laid down in Section 135 of the Act and the Rules made thereunder;
- (f) 'CSR Committee' means the Corporate Social Responsibility Committee of the Board;
- (g) 'CSR Policy' means this policy, as amended from time to time;
- (h) 'Executives' shall mean such person or persons as may be authorised by the Board or by the CSR Committee from time to time to execute the policies and activities in the field of Corporate Responsibility of the Company;
- (i) 'Ministry' means the Ministry of Corporate Affairs, Government of India, New Delhi;
- (j) 'Net Profit' means net profit as defined in Section 135 of the Act and in the Rules, as amended from time to time;

- (k) 'Ongoing Projects' means a multi-year project undertaken by a Company in fulfilment of its CSR obligation 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 a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
- (l) Words and expressions used in this CSR Policy and not defined herein but defined in the Act and or the Rules shall have the meaning respectively assigned to them therein.

3. CSR Activities

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably protect environment, spread/promote education, and improve the lives of the underprivileged etc. CSR Activities that may be undertaken by the Company shall include all the items or activities that are recognized as such under Section 135 of the Act and in Rules as amended from time to time. These are as follows as on today:

- 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 arts 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 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 Scheduled Castes, the Scheduled 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.

The above areas shall be liberally interpreted so as to capture the essence of the subjects enumerated herein. Clarifications/ notifications issued by the Ministry from time to time shall be used to determine whether any activity is covered under the approved activities.

CSR activities shall be undertaken as projects, programmes or activities.

4. The Geographic Reach

The Act provides that the Company shall give preference to the local area and areas around where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will therefore give preference to conducting CSR activities in the States, where it has its operations. However, the Committee may identify such areas other than stated above, as it may deem fit and recommend it to the Board for undertaking CSR Activities.

5. Annual spends

The Company would spend not less than 2% of the average net profits of the Company made during the three immediately preceding financial years. The board shall ensure that the administrative overheads, if any, shall not exceed five percent of total CSR expenditure of the Company for the financial year

The surplus arising out of CSR activity will not be part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of this policy and annual action plan of the Company or shall be transferred to a fund specified in Schedule VII, within a period of six months from the expiry of the financial year.

Where a Company spends an amount in excess of the amount to be spend, such excess amount may be set off against the requirements to spend under Section 135 of the Act upto immediately three succeeding financial years subject to the condition that such 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 the Rules and the Board shall pass a resolution to that effect.

The Company may have its own in house team, which will work on various CSR activities in the areas where the Company operates. Salaries of all such personnel shall form part of the CSR expenditure but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in any year.

The Company may utilise CSR capabilities of outside implementing agencies through institutions with established track record of at least three financial years.

6. Modalities

The Company shall execute various CSR activities which are in line with Clause 3 of this policy

1. through its own CSR staff or
2. through a registered trust or a registered society or a company established by the Company under Section 8 of the Act or
3. by way of making contribution to a registered trust towards various activities carried out by such trust which are in conformity with areas / items mentioned under clause 3 of this policy or
4. in collaboration with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of the respective companies are in a position to report separately on such projects or programmes in accordance with the Rules, or
5. Otherwise, in any other manner as may be permitted under the Act and the Rules.

Provided that if such trust, society or company is not established by the Company, it shall have an established track record of 3 years in undertaking the activities in the areas as mentioned under clause 3 of this policy.

After identification of Activities/Projects, a Draft Annual Action Plan may be finalised by the CSR Committee keeping in view the availability of funds and the same may be forwarded to the Board for its consideration.

The Board shall from time to time approve the budget, the annual action plan, if any and the modalities of expenditure pertaining to the identified / approved CSR activity(ies) which shall be in conformity with the CSR Policy and within the overall ceilings on the spends.

7. Monitoring

The CSR Committee shall meet at least twice in a year to review the CSR activities undertaken by the Company.

At the beginning of every financial year, annual requirement of CSR spend shall be determined along with broad estimates of periodic spending and identified list of activities / areas with respective estimated spend. The balance of annual spends against which CSR activities are yet to be identified, shall be separately indicated for decision during the year.

A periodic review shall be taken by the Board, wherein it shall review -

1. Progress of various activities undertaken under CSR Policy.
2. Estimated CSR expenditure on identified activities and actual expenditure on the same.

3. New activities identified with estimated expenditure.
4. Such other matters or aspects as the Board may from time to time identify.

The Executive shall, at every meeting of the CSR Committee, place a report based on the periodical review conducted by it. The CSR Committee shall review such reports and keep the Board apprised of the same. The Board shall satisfy itself that the funds so allocated or disbursed during the year have been utilised for the purposes and manner as approved and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.

In case of ongoing project(s), the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.

8. Reporting and Disclosures

The Company shall provide, in formats as set out under the Rules, details of CSR initiatives and activities of the Company in its Annual Directors' Report.

9. Amendments to the Policy

Any or all provisions of this CSR Policy would be subject to revision/amendment by the Board of Directors on its own or on the recommendations of the CSR Committee or else in accordance with the Regulations on the subject as may be made from time to time.

Any revision/amendment to the Policy as a result of such regulatory changes shall be carried out with the approval of the Board.
