

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Effective from 10th February, 2015)

HB PORTFOLIO LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. PREAMBLE:

The Board of Directors (the "Board") of HB Portfolio Limited (the "Company" or "HBPL") in their meeting held on 10th February, 2015 approved this Corporate Social Responsibility Policy (CSR Policy) on the recommendation of the Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors as per the provisions of Section 135 of the Companies Act, 2013 ('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014. This Policy is effective from 10th February, 2015.

The Policy has been suitably amended to incorporate the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 by the Board of Directors in their meeting held on 28th June, 2021.

The CSR Committee has also been dissolved by the Board of Directors on 28th June, 2021 in terms of the provisions of Section 135(9) of the Companies Act, 2013 and rules made thereunder. All the functions of the CSR Committee shall now be discharged by the Board of the Directors.

2. SHORT TITLE & APPLICABILITY:

- 2.1 The CSR Policy of HB Portfolio Limited ("the Company") encompasses its philosophy for delineating its responsibility as a Corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.
- 2.2 This Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different segments of the Society.

3. THE COMPANY'S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY:

- 3.1 The approach of the Company towards Corporate Social Responsibility would be oriented to identify the activities in response to felt societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner.
- 3.2 As a responsible corporate entity, the Company will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on the social welfare activities.
- 3.3 The Companies Act, 2013 provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR. The Company will thus give preference to conduct CSR activities in the State of Haryana and such other place(s) in India wherein the Company has/will have its operations.

4. RESPONSIBILITY OF THE BOARD

The Board of Directors shall be responsible inter-alia for the following:

- (a) To approve the amount of expenditure to be incurred on the CSR activities;
- (b) To formulate and approve an annual action plan;
- (c) To ensure that the CSR activities are undertaken by the Company in accordance with the annual action plan;
- (d) To ensure that the Company spends, in every Financial Year at least two (2) percent of the average net profits of the company made during the immediately three preceding Financial Years;
- (e) To satisfy itself that the CSR funds disbursed to various implementing agencies and on various projects are being utilized for the given purpose;

- (f) To regularly monitor the implementation of the CSR Policy and to approve any amendments as and when required;
- (g) To make adequate disclosure in its Annual Report and to disclose the contents of this Policy on the Company's website; and
- (h) To do all necessary acts, deeds and things as may be required from time to time.

5. CSR ACTIVITIES / PROGRAMMES:

5.1 The Company would endeavor to adopt an integrated approach to address the community, societal & environmental concerns by taking one or more of the following activities, which shall be taken up strategically, in a focused manner within India only to the extent possible and allowed as per Section 135 of the Companies Act, 2013 and the applicable rules and regulations as may be prescribed in this regard, including any modification(s) thereof.

- (i) Eradicating hunger, poverty and malnutrition, promoting health care, including preventive healthcare 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) Promotion of education, including special education and employment enhancing vocational 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, agro forestry, 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 dependants, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) Training to promote rural sports, nationally recognized 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 or the State Governments 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.
- (xiii) Such other matters as may be prescribed by the Central Government and approved by the Board of Directors / CSR Committee, as the case may be.

5.2 However, it is made abundantly clear the following activities shall not be considered as CSR activities:

- a) activities undertaken in pursuance of normal course of business of the Company;
- b) any activity 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;
- c) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- d) activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- e) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- f) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

6. CSR IMPLEMENTATION

- 6.1 The Board shall ensure that the CSR activities are undertaken by the Company either itself or through-
 - a) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
 - b) 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
 - c) any entity established under an Act of Parliament or a State legislature; or
 - d) 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.
- 6.2 The Company shall ensure that every implementing Agency is registered with the Central Government before undertaking any CSR activity through them.
- 6.3 The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per this policy as well as for capacity building of their own personnel for CSR.
- 6.4 The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees / Board of respective companies are in a position to report separately on such projects or programmes in accordance with CSR rules.

7. ANNUAL ACTION PLAN

- 7.1 The Board of Directors shall formulate an annual action plan in pursuance to 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 as specified in sub-rule (1) of rule 4;
- 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.

Provided that the Board may alter such plan at any time during the financial year, based on the reasonable justification to that effect.

8. CSR EXPENDITURE

- 8.1 The Company shall spend, in every financial year, the amount equivalent to at least 2% of its average net profits (calculated as per Section 198 of the Act) made during the three immediately preceding financial years towards CSR activities.
- 8.2 The Board shall ensure that the administrative overheads i.e. the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company, shall not exceed 5% of total CSR expenditure of the Company for the financial year. However, it shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- 8.3 Any surplus arising out of the CSR activities shall not form part of the business profit of a 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 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.
- 8.4 Any amount spent in excess of the mandatory requirement in any financial year, may be set-off against the CSR expenditure upto immediate succeeding three financial years subject to the condition that:
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities.
 - (ii) the Board shall pass a resolution to that effect.
- 8.5 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 under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority:

9. MONITORING AND EVALUATION

- 9.1 Regular update on the CSR initiatives undertaken and / or to be undertaken shall be given to the Board. The Company may also depute one or more employees who shall monitor the CSR initiatives of the Company and report the same to the Board. The impact of the CSR activities may be quantified to the extent possible. The Board shall draw a time frame from the date of initiation. In case of any delay noticed while monitoring the CSR initiatives, remedial measures shall be taken for timely completion of the activities.
- 9.2 The Board shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) as may be deemed expedient for the purpose of accomplishments of CSR activities.

- 9.3 The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management will certify to the effect.
- 9.4 The Board shall monitor the implementation of the ongoing projects 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.

10. DISSEMINATION OF INFORMATION

- 10.1 The Composition of the CSR Committee, the CSR Policy and Projects, if any, approved by the Board of the Company shall be placed on the Company's website.
- 10.2 Annual Report on the CSR activities carried out by the Company shall be disclosed every year as a part of the Boards' Report in the prescribed format.
- 10.3 The Company will also make a Responsibility Statement stating that the CSR Policy implementation and monitoring thereof is in letter and spirit, in compliance with the CSR objectives of the Company.
- 10.4 The Company's CSR Policy conforms to the Corporate Social Responsibility as stipulated under the Companies Act, 2013 and Rules framed thereunder.
- 10.5 This Policy is subject to review by the Board of Directors, as and when the need arises or is required.