



HUBTOWN LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

[Effective from October 1, 2014]

HUBTOWN LIMITED
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HUBTOWN LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION :

Hubtown considers Corporate Social Responsibility as a process for enhancing the lives of the local community in which it operates and strongly believes in contributing towards social welfare of the people and the betterment of the society at large, more specifically, for the deprived and the under privileged persons.

This Policy, which encompasses Hubtown's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large, is termed as "**Hubtown CSR Policy**".

2. OBJECTIVES OF THE POLICY :

The main objective of this CSR Policy is to establish and lay down the basic principles and the general framework of action for Hubtown to undertake and fulfill its corporate social responsibility. This Policy is in line with Section 135 of the Act read with the CSR Rules and such other rules, regulations, circulars and as may be applicable and as amended/notified from time to time and shall provide for the following :

- Establishing a guideline for compliance with the provisions of the Act / Rules to dedicate a percentage of Company's profits for CSR activities.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

- a. The Corporate Social Responsibility Committee (CSR Committee) shall consist of three or more Directors, amongst one of whom shall be an Independent Director.
- b. The CSR Committee shall meet atleast once a year and as required, to discuss and review various issues on implementation of this CSR Policy.
- c. The CSR Committee shall :
 - i. Formulate and recommend to the Board, the Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 (the Act);
 - ii. Recommend to the Board, the amount of expenditure to be incurred on the activities referred to in clause (i) in a financial year;
 - iii. Monitor the implementation of CSR Policy as provided herein from time to time;
 - iv. Recommendation to the Board for modification(s) to the CSR Policy as and when required;

- v. Establish a transparent monitoring mechanism for implementation of the CSR activities undertaken by the Company; and
 - vi. Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of the Company.
- d. This CSR Policy has been formulated by the CSR Committee and then recommended to the Board of Directors of the Company (the Board) for its approval. The Board in its meeting held on November 14, 2014 approved and adopted the CSR Policy with effect from October 1, 2014.
 - e. The CSR Committee shall have the authority to obtain professional advice from external sources for the purpose of accomplishment of overall CSR objectives laid down under the Act.

4. DEFINITIONS :

In this Policy, unless the context otherwise requires :

- a. **'Act'** means the Companies Act, 2013 including any statutory modification or re-enactment thereof;
- b. **'Corporate Social Responsibility'** means Corporate Social Responsibility as defined in Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014;
- c. **'CSR'** means Corporate Social Responsibility;
- d. **'CSR Activities'** means the project or program or activities as recommend by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas falli8ng under Schedule VII to the Act;
- e. **'CSR Policy'** means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time;
- f. **'CSR Rules'** means the Companies (Corporate Social Responsibility) Rules, 2014 as amended or modified from time to time;
- g. **'Net Profit'** means net profit as defined in Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 as set out below :

Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :

- i. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - ii. Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
- h. 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.

5. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES :

- a. This Policy is a commitment to support initiatives that measurably improve the lives of the underprivileged by one or more of the focus areas as notified under Schedule VII to Section 135 of the Act and the CSR Rules appended to this Policy as **Annexure – I**, which may be revised in line with any amendment /inclusions made to Schedule VII to the Act.
- b. The CSR activities shall be undertaken by the Company as projects or programmes mode (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- c. The Company will give preference to local area or areas around where it operates for CSR programmes. However, the CSR Committee may identify such areas other than the local area or areas, as it may deem fit, and recommend the same to the Board for undertaking CSR activities.
- d. Expenditure incurred by the Company for the fulfillment of any Act, Statute or Regulations shall not be considered as CSR expenditure.
- e. The Company may undertake any one or more the above activities as may be decided by the CSR Committee/Board from time to time depending on the suitable opportunities available and the need of the area concerned.
- f. The Company may undertake the CSR activities either by itself or through a registered trust or a registered society or a company incorporated by the Company or its subsidiary or associate company under Section 8 of the Act; provided that :
 - i. If such trust or society or company is not established by the Company or its subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects. The Committee shall ensure that such trust, society or company as the case may be furnishes to it, periodical reports on the activities undertaken, amounts spent, areas covered, etc. The CSR Committee shall also have the power to conduct an audit of the trust, society or company in order to ensure that the CSR assignment has been undertaken as per the directions of the CSR Committee;
 - ii. The Company has specified the projects or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- g. Contribution to the corpus of a Trust / Society or Section 8 companies, etc. will qualify as CSR expenditure as long as (a) the Trust / Society / Section 8 companies, etc. is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII to the Act.
- h. The Company may also collaborate with other companies for undertaking the projects or programs or CSR activities in such manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programs in accordance with the Rules.
- i. The Company may build CSR capacities of its own personnel as well as those of the implementing agencies through Institutions with established track record of atleast three financial years but such expenditure including expenditure on administrative overheads shall not exceed five percent of total CSR Expenditure of the Company in one financial year.

- j. Subject to the provision of sub-section (5) of Section 135 of the Act, the CSR projects or programs or activities shall be undertaken in India only in order to qualify as CSR Expenditure.
- k. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act shall not be considered as CSR activity.
- l. The CSR projects or programs that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.
- m. The Board of Directors is ensuring that the activities included by the Company in its CSR Policy are related to the activities included in Schedule VII to the Act.

6. CSR EXPENDITURE :

- a. The Company will spend at least 2 % of its average net profits made during the three immediately preceding financial years in pursuance of its CSR Policy.
- b. All reasonable effort will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, 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, shall specify the reasons for not spending the amount.
- c. CSR expenditure will include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities approved by the Board on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Schedule VII to the Act.
- d. If the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to comply with the provisions laid down under sub-section (2) to (5) of the said Section, till such time it meets the criteria specified in Section 135 (1) of the Act.

7. CORPUS OF CSR FUNDS :

- 2 % of the average net profits of the Company during the three preceding financial years;
- Any income arising therefrom;
- Surplus arising out of CSR activities

Any unspent/unutilized CSR allocation of a particular year, will be carried forward to the following year. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company.

8. RESPONSIBILITY OF THE BOARD OF DIRECTORS :

The Board of Directors will be responsible for :

- i. constituting the CSR Committee through a Board resolution with defined composition;
- ii. approve the CSR Policy as formulated by the CSR Committee through a Board resolution;
- iii. Ensure that every financial year, the funds committed by the Company for CSR activities are utilized effectively and will monitor implementation regularly; and

- iv. Disclose in the Annual Report, the name of the CSR Committee members, the contents of the CSR Policy, CSR activities undertaken and ensure annual reporting of its CSR activities on the Company website.
- v. Ensure that only the activities as are included in the CSR Policy of the Company may be undertaken by the Company.
- vi. Ensure that while spending the amount earmarked for CSR activities, the Company gives preference to the local areas around it where it operates.
- vii. Ensure that when the Company is unable to spend the required amount on the CSR activities, the said fact is disclosed in the Board's Report specifying the reasons for not spending the required amount.

9. REVIEW AND REPORTING :

- a. The CSR Committee will review the CSR activities of the Company and will provide progress update to the Board of Directors every six months or at such other intervals as deemed fit.
- b. The Company will report, in the prescribed format as set out herein as **Annexure – II**, the details of CSR initiatives and activities of the Company in the Directors' Report, as required under the Act / Rules. Such reporting will be done, pertaining to the financial years commencing on or after 1st day of April 2014.
- c. The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is compliance with the CSR objectives of the Company, which statement shall form part of the Board's Report.

10. MONITORING :

- a. Appropriate documentation and amendment(s) to the CSR Policy, annual CSR activities reports on execution and expenditures will be undertaken on a regular basis.
- b. The CSR Committee and persons/entities authorised by it will conduct diligence checks on the current projects on a quarterly basis and report anomalies, if any, immediately.
- c. Records relating to the CSR activities and the CSR expenditure shall be meticulously maintained.
- d. The Board / CSR Committee may also appoint any external agency for the purpose of measuring the impact of the work done or a social satisfaction survey.

11. GENERAL :

- a. In case of any clarification on any matter including interpretation of this Policy, the Company Secretary of the Company is to be contacted. The decision of the CSR Committee/Board of Directors on all matters relating to this Policy, shall be final and binding on all concerned.
- b. The Board of Directors may, based on its assessment of the Company's needs, financial soundness, legal and regulatory development, and subject to compliance with the provisions of the Act / CSR Rules,, at any time modify, vary, alter or amend this CSR Policy.
- c. This Policy is subject to continuous review and updates as may be required from time to time.

12. WEBSITE DISPLAY :

The Company shall display on its website (www.hubtown.co.in), the contents of its CSR Policy and other information as may be required to be displayed.

13. DISCLOSURES IN ANNUAL REPORT :

The Board of Directors shall include details of CSR policy and activities undertaken during the year together with the responsibility statement furnished by the CSR Committee, in the report to be prepared in accordance with the provisions of the Companies Act, 2013.

Title	Corporate Social Responsibility Policy	Approved by	Board of Directors
Version	1	Date	November 14, 2014

CSR ACTIVITIES LISTED IN SCHEDULE VII TO THE COMPANIES ACT, 2013

- i. eradicating hunger, poverty and malnutrition, promoting 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;
- 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 any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
- x. rural development projects.

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs.
2. The composition of the CSR Committee.
3. Average net profit of the Company for the last three financial years.
4. Prescribed CSR expenditure (two percent of the amount as in item no.3 above).
5. Details of CSR spent during the financial year :
 - a. Total amount to be spent for the financial year;
 - b. Amount unspent, if any;
 - c. Manner in which the amount spent during the financial year is detailed below :

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or program (1) Local area or other (2) Specify State and District where project or program was undertaken	Amount of outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency *

* - Give details of implementing agency

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.
7. A responsibility statement of CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Sd/-	Sd/-
Managing Director	Chairman – CSR Committee