

## HARSHA ENGINEERS LIMITED

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### CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility (“**CSR**”) is the commitment of companies to provide resources and support activities focussed on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as a part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a long-standing commitment at Harsha Engineers Limited (“**Company**”) and forms an integral part of our activities. Being a responsible corporate citizen, Company is committed to perform its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the community. Its contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Company and the broader community.

Company’s objective is to pro-actively support meaningful socio-economic development. The Company works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life. Company aims to identify critical areas of development contributing to the well-being of the community and benefitting them over a period of time.

The Company has set up the Corporate Social Responsibility Policy (the “**CSR Policy**”) that sets out the framework guiding the Company’s CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

#### 1. SCOPE OF CORPORATE SOCIAL RESPONSIBILITY POLICY

The policy would pertain to all activities undertaken by Company towards fulfilling its corporate social responsibility objectives. The policy would also ensure compliance with section 135 of the Companies Act, 2013 as amended and the rules framed thereunder (the “**Companies Act**”).

#### 2. GOVERNANCE STRUCTURE

2.1 The Corporate Social Responsibility Committee (the “**CSR Committee**”) is the governing body that will define the scope of CSR activities for Company and ensure compliance with the Policy. The CSR Committee would comprise three or more board of directors (the “**Board**”) including at least one independent director. The members of the CSR Committee are as follows:

Sr No	Name of Committee members	Category
1	Rajendra Shah	Chairman
2	Harish Rangwala	Member
3	Ambar Patel	Member

**2.2** The CSR Committee shall:

- (i) Formulate the CSR Policy and recommend to the Board and any amendments thereto;
- (ii) Indicate the activities to be undertaken by Company as specified in the Companies Act;
- (iii) Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company, and the annual CSR plan to the Board;
- (iv) Monitor the CSR activities and compliance with the CSR policy from time to time; and
- (v) Review and implement, if required, any other matter related to CSR initiatives.

**2.3** The Committee shall meet at least once in every financial year.

The Board shall:

- (i) Approve the CSR Policy based on the recommendation of the CSR Committee;
- (ii) Approve the CSR activities and annual CSR plan based on the recommendation of the CSR Committee; and
- (iii) Review the CSR Policy and CSR activities.

**3. OPERATING FRAMEWORK**

**3.1** CSR activities will be undertaken in areas identified by the CSR Committee. An annual CSR plan shall be presented to the CSR Committee and, based on its recommendations to the Board of Directors of the Bank for approval.

**3.2** CSR activities undertaken by Company may be implemented directly by the Company as well as by not-for-profit entities. Such entities and projects shall be supported after ascertaining the credibility of the agency and its track record in implementing projects. The entity shall generally have a track record of three years in implementing such projects.

**3.3** The responsibility for implementation of identified activities/ projects shall be as per the organizational structure approved by the managing director and chief executive officer.

**3.4** The annual plan shall incorporate the following:

- (a) The prescribed outlay on CSR as per the Companies Act and related rules as amended from time to time;

- (b) Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under the Act and related rules as amended from time to time, their conformity with the CSR Policy and their implementation schedules;
- (c) Proposed outlay on each activity including expenditure on administrative overheads both directly and indirectly including employee costs;
- (d) Activities to be undertaken by Company directly;
- (e) Activities to be undertaken by other entities and Company's contribution to such entities; and
- (f) Aggregate proposed outlay and reasons for shortfall, if any, compared to the prescribed outlay.

**3.5** The authority to incur expenditures under the above plan shall be as per the approved delegation of financial powers in the Company.

**3.6** The Company shall in every financial year, contribute a statutory minimum contribution in accordance with applicable laws. Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.

#### **4. MONITORING**

The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities

- (a) The progress of the CSR activities shall be reviewed at least twice a year, including the annual review by the CSR Committee.
- (b) The chief financial officer shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the CSR Committee and the Board.
- (c) The Board of Directors shall review the progress of CSR activities at least annually.

#### **5. DISCLOSURE**

Company shall include in its annual report the following information on CSR:

- (a) A description of contents of the CSR policy;
- (b) An overview of the CSR activities;
- (c) The composition of the CSR Committee;
- (d) Average net profit for the preceding three financial years;

- (e) Prescribed CSR expenditure;
- (f) Details of amount spent in the prescribed format;
- (g) Amount unspent, if any, and reasons for not spending the amount; and
- (h) Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy.
- (i) Such other matters as may be specified from time to time as per applicable law for inclusion in the annual report.

The above information shall also be displayed on the Company's website.

## **6. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

The projects or programmes to be undertaken by Company as CSR in India will be considered and approved by the CSR Committee of Company. Any project or programme that is exclusively for the benefit of Company's employees would not be considered as CSR. Our Company strikes to undertake all or any suitable activity as specified in Schedule VII of the Companies Act and as prescribed under any other applicable laws.