

CORPORATE SOCIAL RESPONSIBILITY POLICY

HIROTEC INDIA PRIVATE LIMITED



“Sarve Janah Sukhino Bhavantu”

“May all Men be happy”

1. CONTEXT

Hirotec India Private Limited (**‘HTI’** or **‘the Company’**) is committed to Social responsibility. HTI strives to contribute to the social and economic development of communities in which we operate. We endeavour to manage these in a responsible manner, believing that sound and demonstrable performance in relation to corporate social responsibility policies and practices is a fundamental part of business success.

2. OBJECTIVE

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. HTI will act as a good corporate citizen and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

3. MEASURES

In the aforesaid backdrop, policy on CSR of HTI is broadly framed taking into account the following measures:

- The CSR activities shall be undertaken by HTI, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- The CSR activities which are exclusively for the benefit of HTI employees or their family members shall not be considered as CSR activity.

- HTI shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.
- The Board of HTI may decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

The following is the list of CSR projects or programs which HTI plans to undertake pursuant to Schedule VII of the Companies Act, 2013:

- Promoting preventive health care and sanitation
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, contributing to the setting up of homes and hostels for women and orphans; setting up of 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;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development;
- Rural development projects;
- Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

4. ORGANIZATIONAL MECHANISM AND RESPONSIBILITIES

Constitution of Corporate Social Responsibility Committee

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of Three directors and the internal CSR team.

The Board of Directors who form part of HTI's CSR committee

Sl no	Name	Designation
1	Mr. Yukio Nobuto	Director & President
2	Ms. Sharon Beetham	Director & CFO
3	Mr. Sendtil Parthasarathy	Director & Executive VP

Internal CSR team members

Sl no	Name	Designation
1	Ms. Annapoorna Meenakshi	Financial Controller
2	Ms. Kavitha	Manager – HR
3	Mr. Loganathan	Senior Executive- Accounts

The CSR Committee shall –

- Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities; and
- Monitor the Policy of the company from time to time.
- The Board of the company shall after taking into account the recommendations made by the CSR Committee, approve the policy for the company and disclose contents of such Policy in its report and also place it on the company's website and ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.

5. ACTIVITIES, SETTING MEASURABLE TARGETS WITH TIMEFRAMES AND PERFORMANCE MANAGEMENT

Prior to the commencement of CSR activities/projects, we would carry out a baseline study of the nearby area/villages of the Company's factory location (ie. Keeranatham & Saravanampatti)

From the data generated, a 1-year plan and a 5-year rolling plan would be developed for the holistic and integrated development of the affected people. All activities/projects of CSR are assessed under the agreed strategy, and are monitored every quarter, measured against targets and budgets. Wherever necessary, midcourse corrections are made.

6. BUDGETS AND PROJECT EXPENDITURE

- A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.
- In the absence of Net Profits in any financial year, the Company endeavors to spend such feasible amount as it may decide.
- In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.
- Approving authority for the CSR amount to be spent would be any one Director or Financial Controller of the Company after due recommendation of CSR Committee and approval of the Board of Directors of the Company.
- The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.
- The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
- CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

- Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.
- Format for allocation of budget by CSR committee and submission to the Board of Directors for approval shall be as below

Sl no	CSR Activity	Schedule Implementation	of	Annual Budget	% of allocation

7. INFORMATION DISSEMINATION

The Company's engagement in this domain is disseminated on its website, annual reports and its house journals as and when deem fit.

8. MANAGEMENT COMMITMENT

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

9. REPORTING FORMAT

Periodic reporting on the CSR activities, execution modalities, implementation schedules etc., to the CSR Committee shall be in the following format which may be amended by the CSR Committee from time to time

Sl no	CSR Activity	Execution Details	Budget (Rs)	Amount spent (Rs)	Remarks

10. UPDATE

CSR Committee of Board of HTI will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

11. PUBLICATION OF CSR POLICY

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any

12. COMPLIANCE WITH COMPANIES ACT, 2013

Our Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India.