

HEM CORPORATION PRIVATE LIMITED

Corporate Social Responsibility (CSR) Policy

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CSR POLICY AS RECOMMENDED AND ADOPTED BY THE CONSENT OF ALL THE DIRECTORS IN BOARD OF DIRECTORS OF HEM CORPORATION PRIVATE LIMITED AT G-5, RIDDHI SIDDHI APTS., MITAGACROSS RD MULUND (E) MUMBAI ON 29th DECEMBER, 2014.

ABBREVIATIONS:

- 1) "Act" shall mean the Companies Act, 2013 including any modifications, amendments or re-enactment thereof.
- 2) "Rules" shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any modifications, amendments or re-enactment thereof.
- 3) "CSR" shall mean Corporate Social Responsibility.
- 4) "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- 5) "Net Profits" shall mean the net profits of the Company as defined under the Act and the Rules based on which a specific percentage for CSR expenditure has to be calculated.
- 6) "Company" shall mean Hem Corporation Private Limited.
- 7) "Board" shall mean the Board of Directors of the Company.
- 8) "Approved Budget" shall mean the total budget as approved by the Board of the Company, which is to be spent or utilized for CSR activities.
- 9) "Annual Plan" shall mean the annual plan for CSR expenditure for the year.
- 10) "CSR Committee" shall mean the Corporate Social Responsibility Committee as constituted by the Board of Directors of the Company in accordance with the Act and the Rules made thereunder, comprising of two or more.
- 11) "CSR Policy" shall mean the Corporate Social Responsibility Policy of the Company.
- 12) "CSR Activities" shall mean all the Corporate Social Responsibility activities / programs / initiatives of the company, either ongoing or new specified in Schedule VII to the Act (as amended from time to time), as recommended by the CSR Committee and approved by the Board.
- 13) "CSR Expenditure" shall mean all CSR expenditure as recommended by the CSR Committee and approved by Board of Directors.



I. PREAMBLE

The Companies Act 2013 has brought the concept of Corporate Social Responsibility in the limelight for all the qualifying companies through its "Comply -or - Explain mandate." The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Government, alone will not be able to get success in its endeavor to uplift the downtrodden of Society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. Company has adopted CSR as a strategic tool for sustainable growth. For Company in the present context, CSR means not only investment of funds for Social Activity but also Integration of Business processes with Social processes.

The concept of CSR provisions put formal and a greater responsibility on the Companies to set out clear framework and process to ensure strict compliance.

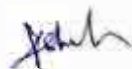
II. INTRODUCTION

While the Company has had a Philanthropic past and has been engaged in CSR Activities voluntarily, the current CSR Activity proposed to be undertaken is subjected to improve quality of life for all our communities through integrated and sustainable development in every possible way.

The Business of Company is located in different parts of the country. The betterment of the Society is not a job to be left to a few. It's a responsibility to be shared by all. Corporate Social responsibility is now one of the core objectives of the Company besides the other main objectives. The Company intends to do CSR activities /programs, either ongoing or new, in the areas as specified in Schedule VII to the Act (as amended from time to time), as recommended by the CSR Committee and approved by the Board. Welfare measures for the community at large including employees and their families, so as to ensure the poorer section of the society derives the maximum benefit.

III. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for the companies to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. Company will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.



IV. CONSTITUTION OF CSR COMMITTEE

In terms of section 135 of the Companies Act, 2013 and the Rules made thereunder, Board of Directors of the Company at its meeting held on 29TH has constituted a CSR Committee and the following are its members;

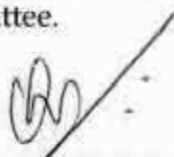
Name	Designation
Uday Lalji Shah	Director
Kishore Lalji Shah	Director

POWERS OF THE COMMITTEE FOLLOWING ARE THE POWERS OF THE CSR COMMITTEE:

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- (ii) Recommend CSR activities as stated under Schedule VII of the Act
- (iii) Approve to undertake CSR activities and to separately report the same in accordance with the CSR Rules
- (iv) Recommend the CSR Budget
- (v) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- (vi) Create transparent monitoring mechanism for implementation of CSR Initiatives
- (vii) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- (viii) Monitor CSR Policy from time to time
- (ix) Monitor activities/charter of Joint Working Group (JWG) who are authorized to ensure that the CSR activities of the Company are implemented effectively
- (x) Authorize executives of the Company to attend the CSR Committee Meetings

FREQUENCY OF THE MEETINGS OF THE CSR COMMITTEE:

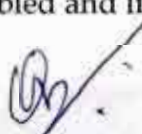
The CSR Committee shall meet at least once in Six month. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee.



V. AREAS TO BE COVERED

While we intends to undertake all or any suitable activity as specified in Schedule VII to the Act, currently, we focus to support and implement the following Sectors as our thrust areas.

- Healthcare ;
- Drinking Water;
- Education;
- Vocational Skills;
- Public Libraries;
- Employment Opportunities;
- Rural Development;
- Gender Equality;
- Old Aged Homes and Orphans Homes;
- Environment Protection;
- Animal welfare
- Promoting and development of Art and Culture;
- Protection of National Heritage;
- Promotion and development of rural sports;
- Contribution to 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 castes, the scheduled Tribes, other backward classes, minorities and woman;
- *Promoting education, including special education and employment enhancing vocational skills especially among children, women elderly and specially the differently abled and livelihood enhancement projects.



- Any other area as may be prescribed by Schedule VII amended from time to time;

The Company will review the sectors from time to time and make additions/deletions/clarifications to the above sectors.

VI. ALLOCATION OF FUNDS

The Company shall spend not less than 2 % of its average net profits for the immediately preceding three financial years or such other minimum amount as specified under the CSR Provisions.

Provided further that the allocation of the funds for CSR activities shall not be at the cost of or in place / stead of the statutory / contractual obligations of the Company towards the government, banks and financial institutions.

Provided further that the surplus arising out of the CSR Projects or Programs or Activities shall not form part of the business profits of the Company.

Provided further that for building up CSR capabilities of its own or that of an outside agency, the Company shall not spend more than 5% of the amount allocated for CSR activities.

VII. IMPLEMENTATION

This CSR Policy will be implemented from the succeeding year of a Financial Year in which the Company shows the net profits as per its audited annual financial statements. Based on the net profits, if any, every year, the CSR Committee will identify the CSR activities including the thrust areas, annual budget, planned expenditure and implementation schedule etc.

The preference for CSR activities shall be given the local areas where registered office of the Company is situated.

However, this shall not bar the Company from pursuing its CSR activities in any other areas.



VIII. CSR IN COLLABORATION OR THROUGH A MEDIUM

The Company will undertake its CSR activities as approved by the CSR Committee, through a registered trust or registered society or a Company established by the Company under Section 8 of the Companies Act, 2013.

The CSR Committee will decide the mode of execution of such activities / projects i.e. whether such activities will be carried out by a registered and approved trust or society or a company with an established track record of not less than three years in undertaking similar programs or projects or they will be carried out by team of persons specifically formed for such purpose(s) or such other mode as is within the scope of the CSR Provisions and most suitable for execution of that particular activity / project.

The CSR Committee may also decide to contribute the entire or part of the amount to any fund as is within the scope of CSR Provisions

IX. MONITORING MECHANISM

A Joint Working Group (JWG) comprising of employees of the Company and representatives of entities with which the Company decides to collaborate for fulfilling its CSR obligations, will be created to ensure effective implementation and monitoring of the projects approved by the CSR Committee. The JWG will submit periodic reports to the CSR Committee of the Company on the progress of the various projects approved by the Committee and entrusted to the JWG for implementation and monitoring.

X. PUBLICATION OF THE 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.

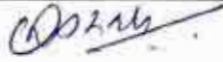

XI. POLICY REVIEW & FUTURE AMENDMENT

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.



XII. REMOVAL OF DIFFICULTIES

Any term not defined in the CSR Policy shall have the meaning ascribed to it under any of the CSR Provisions.

Version	Policy	Adopted Board	by	Authorised Signatory
1	Corporate Social Responsibility Policy	29/12/2014		 <hr/> Director
2	*Corporate Social Responsibility Policy	11/02/2016		 <hr/> Director

For NEM CORPORATION PVT. LTD


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