

CSR Policy of Haryana Forest Development Corporation Limited (HFDC)

I. Formulation of CSR Policy:-

The present CSR Policy of HFDC is being documented with a candid objective of formalising the Corporation's CSR Policy within the frame work prescribed under the provisions of the Companies Act, 2013 read with CSR Rules, 2014.

This policy, which encompasses the Corporation's 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, is "**Corporate Social Responsibility Policy of HFDC**).

II. CSR Vision Statement & Objective:

In alignment with its vision, the Corporation, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

HFDC is committed to implement the guidelines/ act/ rules on Corporate Social Responsibility (CSR) introduced by the Ministry of Corporate Affairs, Government of India; and to generate, through its CSR initiatives, a community goodwill for HFDC and help reinforce a positive & socially responsible corporate image of HFDC.

III Resources:

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, HFDC shall allocate atleast 2% of average of its previous three year's Profit (or any other amount which may be specified under the Companies Act from time to time), as its Annual CSR Budget, in line with the provisions of the Companies Act, 2013.

IV Utilisation:

The resources available for CSR activities to be undertaken by the Corporation shall be spent in the following manner:-

1. 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 its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act. Further, contribution to Corpus of a trust/ society/ section 8 companies will qualify as CSR expenditure as long as (a) the trust/ society/ section 8 companies etc. is created exclusively for undertaking CSR activities/ as defined under the CSR Rules; or (b) where the corpus is created exclusively for a purpose directly relatable to a subject / item(s) covered in Schedule VII of the Companies Act 2013 or any activity which the Central Government may specify under the provisions of the Companies Act/ Schedules/ Rules etc. from time to time.
2. Subject to provisions or sub-section (5) of Section 135 of the Companies Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
3. The CSR projects or programs or activities 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 Companies Act.
4. The Corporation may build CSR capacities of their own personnel as well as those of their implementing agencies through institutions with established track records of at least 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.
5. The contribution of any amount directly or indirectly to any political party as prohibited under section 182 of the Companies Act, shall not be considered as CSR activity.

6. As clarified by the Ministry of Corporate Affairs (MCA), the following expenses would not be qualified as a part of the CSR expenditure:-
 - i. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programme etc.
 - ii. Expenses incurred by companies for the fulfillment of any Act/Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.
7. The unspent CSR amount in a particular year would not lapse. It would instead be carried forward to the next year for utilisation for the purpose for which it was allocated and the Board shall give reasons for the same. Further, the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company.

V CSR Thrust Areas/ Activities:

In accordance with the objectives and vision, the CSR and sustainability activities of HFDC will have the following thrust areas as a part of Corporate Social Responsibility (CSR) in line with the provisions of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014:-

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. 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 Central Government rejuvenation of River Ganga;
5. Promoting nature education and awareness programmes.

6. 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;
7. Measures for the benefit of armed forces veterans, war widows and their dependents;
8. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports.
9. 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 women;
10. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
11. Rural development projects;
12. Slum area development (as declared by Central Govt. or any State Government or any other competent authority under any law for the time being in force);

VI Implementation and Monitoring:

The CSR activities shall be undertaken in the following manner:-

1. The Corporate Social Responsibilities (CSR) activities shall be undertaken by the Corporation, as per its stated CSR Policy, on projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
2. The Board of Company may also decide to undertake Corporate Social Responsibilities (CSR) activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or alongwith its holding or subsidiary or associate company, or alongwith any other company or holding or subsidiary or associate company of such other company, or otherwise.

Provided that:-

- i. if such trust, society or Company is not established by the company, either singly or alongwith its holding or subsidiary or associate company, or alongwith any other company or holding or subsidiary or associate Company of such other company, shall have an established track record or three years in undertaking similar programs or projects;
- ii. the Corporation has specified the project 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.

3. The Corporation may also collaborate with other Company / Company for undertaking projects or programs or CSR activities in such manner that the CSR Committees of respective Company/ Company are in a position to report separately on such projects or programme in accordance with these rules.
4. The CSR projects/programmes shall be identified by the Corporation and funds be allocated on yearly basis as per the need assessment, specific to the location, target beneficiary and agency partnering for the implementation. Roll on-CSR projects shall be identified separately and executed in a phased manner.
5. The CSR activities shall be implemented by the Company on its own or through other agencies as the Company may deem fit. Further, the CSR activities may be undertaken either at the Head Office level or by the involvement of the Field Offices of the Company as may be considered appropriate.
6. The progress of CSR projects/ activities shall be regularly monitored by the Managing Director through head of the respective project/Division. The CSR projects/ programmes shall be completed by giving a definite time frame for starting / completion of the work /project.

VII CSR Committee and its Meetings:

The Corporate Social Responsibility Committee was constituted comprising of the following Directors of the Corporation:

1. Chairman
2. Managing Director
3. Director from Finance Department

The CSR Committee shall meet at appropriate intervals or may take action from time to time by passing resolutions through circulation. Further, the minutes of each and every meeting of CSR Committee shall be placed before the Board for its review/ to take note of the same.

Further, that the quorum for the CSR Committee meeting shall be two members.”

VIII Authority and Approval:

1. The Board of Directors of the Corporation shall be the approving authority of CSR Policy of HFDC and the amendment(s), if any, would require the approval of Board of Directors of HFDC.
2. The power to reconstitute the CSR Committee as well as to revise the mandate from time to time based on its assessment of the Company's needs legal and regulatory framework/ developments/changes, and applicable best practices, vests with the Board of Directors of the Company.

3. The CSR activities shall be approved by the CSR Committee and authorise the Managing Director to execute and implement the same as well as to spend within the approved Annual CSR Budget and also to use the Budget allocated to a particular head into such other heads as may be deemed fit.
4. The CSR Committee/ Board of Directors of the Corporation would be apprised of the status of implementation of CSR activities on periodical basis.

IX Reporting and Display of CSR Activities:

The Annual Report on the CSR containing particulars specified in the annexure to the CSR Rules under the Companies Act alongwith a brief narrative on the action taken on the implementation of guidelines would be reflected in the Directors' Report of HFDC. The contents of the CSR Policy shall be also displayed on the website of the Company.