



CORPORATE SOCIAL RESPONSIBILITY CHARTER

1.0 Preamble :

Heubach Colour Private Limited ('the Company') is a Private Limited Company incorporated under the Companies Act, 1956.

(i) Objective :

The Company believes in conducting its business fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates as a part of its social objectives.

This policy has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the CSR Rules thereunder.

This policy, which encompasses the Company's philosophy describing its responsibility as a corporate citizen lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

(ii) Legal Requirements:

In terms of Section 135 and Schedule VII of the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('the Rules'), every company falling in any of the following criteria is required to constitute Corporate Social Responsibility Committee :

- (i) Having net worth of Rs. 500 crores or more
- (ii) Having turnover of Rs. 1000 crores or more
- (iii) Having a Net profit of Rs. 5 crore or more.

Accordingly, the Board of Directors ('the Board') is required to constitute Corporate Social Responsibility Committee ('the Committee') comprised of 3 or more directors. In case, the Company has only 2 Directors, the Committee shall be comprised of at least 2 Directors.

(iii) Approval by the Board :

Corporate Social Responsibility Charter is initially approved by the Board at its meeting held on December 13, 2014 and can be amended by the Board from time to time.

2. Composition of CSR Committee :

The CSR Committee is initially constituted by the Board at its meeting held on December 13, 2014 comprised of :

1. Mr. Ravi Kapoor, Managing Director
2. Gp.Capt.A.G.Chitre, Whole-time Director
3. Mr.Maheswar Sahu, Independent Director

3. Corporate Social Responsibility Policy :

Corporate Social Responsibility Policy as recommended by the Committee and approved by the Board is as per Annexure –A.

Annexure –A

Corporate Social Responsibility Policy ('CSR Policy')

1. Constitution of CSR Policy:

Corporate Social Responsibility Policy ('CSR Policy') shall be as recommended by the Committee and approved by the Board from time to time.

2. Terms of Reference :

The terms of reference of the CSR Committee, shall be in accordance with Section 135 of the Companies Act, 2013('the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules') and rules framed there under which shall include:

- Formulation and review of CSR Policy indicating the activities to be undertaken by the Company towards CSR initiative;
- Recommendation of the amount of expenditure to be incurred on the CSR activities; and
- Formulation of a transparent monitoring mechanism for ensuring implementation of the projects, programs or activities proposed to be undertaken by the Company or the end use of the amount spent towards CSR activities.
- Monitoring and implementation of CSR policy from time to time
- Approval to responsibility statement relating to implementation and monitoring of CSR Policy in compliance with CSR objectives and CSR Policy of the Company and report it to the Board.
- Any other requirements mandated under the Act and Rules framed there under from time to time.

3. Focus Areas :

The Company will undertake its CSR activities approved by the CSR Committee in line with Section 135 of the Act, the Rules and Circulars in any of the following areas :

- a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c. 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;
- d. 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;
- e. 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 and handicrafts;
- f. measures for the benefit of armed forces veterans, war widows and their dependents;
- g. training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- h. contribution to the Prime Minister's National Relief Fund or any other funds 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;

- i. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j. rural development projects.
- k. slum development areas
- i. such other activities as committee may consider deems fit.

4. CSR Budget:

- The total budget for the CSR projects will be decided by the CSR Committee.
- Any unspent/unutilized CSR amount allocated in the budget for a particular year, it will be carried forward to the following year, i.e. the CSR Budget will be non-lapsable in nature.
- If CSR Budget amount is not fully utilized, the Company shall disclose the reasons for the same in the Board Report.

5. CSR Expenditure:

The Company shall ensure that it spends, in every financial year, at least 2% of its average net profits made during the 3 (three) immediately preceding financial years, in pursuance of its corporate social responsibility and subject to Section 135 of the Companies Act, 2013 and Rules made thereunder.

Net Profits mentioned herein above means, net profit before tax as per the books of accounts of the Company and shall not include profits arising from branches outside India.

For the purpose of this policy, the first CSR spending, financial year would be 2014-15 and the net profit shall mean average of the annual net profits of the financial years 2011-12, 2012-13 and 2013-14.

6. Monitoring and Reporting :

CSR committee shall _

- monitor that the programs, projects or activities supported are in line with the approved CSR Policy of the Company and are also in line with the activities prescribed in Schedule VII of the Act, and amendment thereto from time to time.
- review the performance and effectiveness of the project undertaken;



- modify and prepare the CSR Policy and place the same for the approval of the Board
- make quarterly reporting to the Board of Directors of the Company on the progress of the CSR Programs, projects and activities undertaken.

7. Treatment of Surpluses:

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and these funds will be ploughed back for the CSR activities and not for any other purpose.

8. Dissemination of Information :

The CSR Committee shall report to the Board of the Company, on annual basis, the status of the CSR Projects/activities undertaken alongwith the report on the impact created by such projects/activities in compliance with the law.

The Company shall also upload this Policy on its website www.heubach-india.com. Further, a detailed status report on the CSR activities carried out by the Company would be disclosed every year as part of the Board's Report in the Annual Report. The said information would also be uploaded on the website of the Company.

9. Miscellaneous :

The Committee may invite other Directors/ Officers of the Company or advisor to attend the meeting of the Committee as ' invitees' from time to time as and when required.
