

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

1. Title and applicability

- The document describes the Corporate Social Responsibility Policy ("CSR policy") of Haryana Seeds Development Corporation Limited ("HSDC" or "the company"). It includes HSDC's vision, mission and other relevant attributes of Corporate Social Responsibility.
- The CSR policy shall be guided by HSDC's corporate philosophy of respect for the individual and the society at large.
- The CSR policy has been formulated in accordance with Section 135 of the Companies Act 2013 and the CSR Rules 2014 and the relevant amendments / notifications / circulars.
- The CSR policy shall apply to all CSR programs of HSDC.

2. Objective

The Haryana Seeds Development Corporation Limited was established in 1974 and registered under the Companies Act, 1956 with the aim of arranging production and distribution of certified seeds to the farmers of the State at reasonable rates. The main objectives of the HSDC are as follows:

1. Organizing the production of Seeds.
2. Processing of seeds so produced and arrange its certification.
3. Distribution of Certified Seeds.

3. Purpose

The Companies Act, 2013 has brought greater emphasis on CSR with rules that provide guidance on minimum CSR spend, focus areas, implementation mechanism and reporting to the shareholders of the company.

CSR Policy has been designed keeping in view the company's business vision, its CSR vision and long-term social objectives that the company wants to achieve. HSDC CSR Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism.

4. Responsibility of the Board of Directors

The responsibility of the Board of Directors shall be as under:

- a) To approve the CSR Policy & disclose the contents of such policy in its report and also place it on the Company's website;
- b) Ensure that the activities proposed in the CSR Policy are undertaken;
- c) Ensure that the company spends, in every financial year, at least 2% of average net profits of the company made during the 3 immediately preceding financial years, as required under Section 135 of the Companies Act, 2013 & Rules made there under;
- d) If company fails to spend the sum as mentioned above, then the Board shall, in its Report specify the reasons for not spending the amount.

5. CSR Committee

5.1. Constitution of CSR Committee

A Corporate Social Responsibility Committee ("the CSR Committee") has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

The composition of CSR Committee shall be disclosed in the Board of Directors' Report.

5.2. Responsibilities of the CSR Committee

1. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely :-
 - (a) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act ;
 - (b) The manner of execution of such projects or programmes as specified to sub-rule (1) of rule 4;
 - (c) The modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (d) Monitoring and reporting mechanism for the projects or programmes; and
 - (e) Details of need and impact assessment, if any, for the projects undertaken by the company.
2. To review and approve annual budgets with respect to CSR programs;
3. To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013;
4. To ensure that HSDC corporate website displays the approved CSR policy of the company.
5. **The CSR Committee will take decision regarding spending of CSR funds to various activities.**
6. To monitor the CSR Policy, Projects and Programs from time to time.

5.3. Meetings of CSR Committee

The CSR Committee shall meet at least once in a year. The meeting shall be held either at the registered office of the company or any other place, as may be decided by the members.

Physical presence of one third of the total strength or two members whichever is higher shall constitute the quorum.

5.4. Notice of Meeting

At least three days advance notice of every meeting, specifying the day, place and timing of Meeting and the general nature of the business to be transacted there at shall be given to the members. In urgency, a meeting may be convened by shorter notice.

6. Areas of CSR Activities

The Company is hereby devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes, including but not limited to the following areas:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swacch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. 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;
- iv. 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 the Central Government for rejuvenation of river Ganga;
- v. 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;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister Citizen Assistance & Relief in Emergency Situation Fund (PM Cares 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, and other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural Development Projects; and
- xi. Slum area development
- xii. Activities related to promotion of road safety as suggested vide General Circular No. 21/2014 dated 18.06.2014 issued by Ministry of Corporate Affairs

EXCLUSIONS:

Following activities shall be excluded from the CSR expenditure of HSDC:

- a) Activities which are exclusively for the benefit of employees of the company or their family members;
- b) **Activities undertaken in pursuance of normal course of business of the company:**
Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (i) Such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (ii) Details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
 - (iii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - (iv) Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (v) Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019),
 - (vi) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - (vii) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- c) Direct or indirect contribution to political parties;
- d) Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;
- e) Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

7. Geographies and beneficiaries

7.1. Geographies

HSDC will give preference to the local areas around its operations for spending the amount earmarked for CSR activities. HSDC's operations are mainly concentrated in the following areas:

- State of Haryana
- HSDC may undertake CSR activities in any other area in India as may be decided, from time to time

7.2. Beneficiaries

The beneficiaries of HSDC's CSR programs may be the following categories of people:

- Farmers of Haryana
- Children/students
- Women
- Weaker sections of the society
- Others – society at large

8. Implementation mechanism

The company may conduct / implement CSR programs by itself and/or through registered trusts, societies and / or section 8 (previously section 25) companies with an established track record of at least three years in carrying on activities in the related area/s or as suggested by Ministry of Corporate Affairs vide circulars/notifications.

The company may collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.

The progress will be reported to the CSR Committee during the committee meetings. The progress on CSR programs undertaken by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules 2014.

9. Display of CSR activities on its website.

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the board on their website, if any, for public access.

10. Spending of money in CSR Activities

If a company spends less than the amount required to be spent under CSR obligation, the Board shall specify the reasons for not spending such amount, in the Board's report.

The company shall deal with the unspent amount in the following manner:

Analysis of Unspent Amount	Actionable	Timeline
Unspent amount pertains to 'ongoing project'	Transfer such unspent amount to a separate bank account to be called as 'Unspent CSR Account'	Within 30 days from the end of the financial year.
Unspent amount does not pertain to 'ongoing project'	Transfer unspent amount to the National Fund or the Fund prescribed under Schedule VII.	Within 6 months from the end of the financial year.

While the time for transferring the unspent money to the Fund prescribed under Schedule-VII is 6 months, the Board will have to decide on the retention of money for ongoing projects, disclose reasons for not spending the amount, etc. in its Board's Report.

ANNEXURE-II

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.
2. Composition of CSR Committee:

Sl.No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs.)
1			
2			
3			
	TOTAL		

6. Average net profit of the company as per section 135(5).

7. (a) Two percent of average net profit of the company as per section 135(5)
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
- (c) Amount required to be set off for the financial year, if any
- (d) Total CSR obligation for the financial year (7a+7b-7c).
- 8.(a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. N o.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1												
2												
3												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year

1	2	3	4	5		6	7	8	
Sl No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation Direct(Yes / No.)	Mode of implementation –Through implementing agency.	
				State	District			Name	CSR Registration number
1									
2									
3									
	Total								

- (d) Amount spent in Administration Overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the Financial Year
(8b+8c+8d+8e)
- (g) Excess amount for set off, if any

Sl.No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per Section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9.(a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1							
2							
3							
	Total						

- (b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / On going.
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5)

11. Monitoring of CSR programs

The HSDC CSR committees authorized representatives shall be responsible for day to day management of CSR related activities of the company. They shall periodically report to the CSR committee regarding the financial and programmatic progress of CSR projects.

All projects undertaken by HSDC shall be monitored on a regular basis. On-site monitoring would also be undertaken at least once a year to ensure on-track implementation.

The CSR committee / or then authorized representative shall be empowered to appoint an external third party to monitor / review / audit the progress (financial and programmatic) of the CSR projects.

12. Effective Date

The CSR Policy shall be effective from the date of its approval by the Board of Directors.

13. Amendments to the CSR Policy

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.

14. CERTIFICATION

CFO shall certify that the expenditure so incurred and utilized for CSR activities is as per policy approved by the Board / committee.