



HYDROWATT LIMITED

Empire House, 3rd Floor, 214, Dr. D. N. Road, Fort, Mumbai - 400 001. (India)
Phone: +91 22 6634 4678 / 6634 4679 Fax.: +91 22 6634 4676
E-mail: narayan@somani.com CIN: U40101HP2001PLC024791

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. CONCEPT AND VISION:

The Company strongly believes that sustainable community development is essential for harmony between the community and the industry. It endeavors to make a positive contribution by supporting a wide range of socio-economic, educational and health initiatives.

In this regard, the Company has made this policy which encompasses the Company'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 and is titled as the "CSR Policy" which is based as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 initiated by the Central Government under the relevant provisions of Section 135 of the Companies Act, 2013 and Schedule VII of the said Act.

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, employment, promoting gender equality and women empowerment etc. more particularly described below.

2. OBJECTIVES OF THE POLICY

The objectives of this policy are to:

- i - Demonstrate commitment to the common good through responsible business practices and good governance.
- ii - Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

3. APPLICABILITY

- i) The Company's CSR policy has been developed as per Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the Companies (Corporate Social Responsibility Policy)

Rules, 2014 (CSR Rules) (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.

- ii) The policy shall apply to all CSR projects / programmes undertaken by the Company in India as per Schedule VII (Activities which may be included by Companies in their Corporate Social Responsibility Policy) of the Act.
- iii) CSR Policy is also in accordance with the various clarifications and notifications of MCA issued till date.

4. CSR INITIATIVES AND ACTIVITIES

The Company may adopt one or more of the following initiatives and activities under this CSR Policy:

- i) Eradicating hunger, poverty and mal-nutrition, promoting preventive health care and 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) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- iv) Promoting gender equality, empowerment of women.
- v) Contribution to Prime Minister's National Relief Fund or any other Fund setup by Central Government for relief and welfare of Scheduled Castes, Scheduled Tribes, Minorities, Women, etc.
- vi) Rural development project.
- vii) Slum area development.
- viii) Clean Ganga Fund/ Swachh Bharat Kosh

5. MODALITIES/ IMPLEMENTATION SCHEDULE OF THE PROJECT / PROGRAMME

The modalities and the time period and / or the duration over which CSR Initiative and Activity will be spread will depend on its nature, extent of coverage and the

intended impact of the said initiative or activity which will be determined by the CSR Committee.

6. CSR BUDGET

For achieving its CSR initiatives and activities through implementation of meaningful and sustainable CSR programmes, the Company will endeavor to allocate, in every financial year, at least 2% of the average net profit of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. For the purpose of the CSR Policy the 'net profit' of the Company shall mean the net profit as defined in the Gazette of Government of India vide its G.S.R. notification dated 27th February, 2014.

The Annual CSR Budget would also include:

- (a) 2% of the average net profit.
- (b) Any income arising there from; and
- (c) Surplus arising out of CSR Initiatives and Activities (any surplus arising out of the CSR Projects or programs or activities shall not be part of the business profits of the Company)

Salaries paid by the Companies to the regular CSR staff as well as to the volunteers of the Companies (in proportion to Company's time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.

8. IMPLEMENTATION:

8.1 CSR Committee :

The Company shall constitute CSR Committee comprising of 3(Three) Directors.

CSR Committee shall:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) Monitor the Corporate Social responsibility Policy of the Company from time to time.

The Company may build CSR capacities of its own personnel as well as those of its implementing agencies through Institutions with established track records of atleast three financial years.

CSR Initiatives and Activities identified under this CSR Policy may also be implemented through specialized executing agencies/partners which could include voluntary organization, formal or informal elected local bodies such as Panchayats; Institutes/Academic Institutions; other Trusts; Self Help Groups; Government/Semi Government Agencies/autonomous organizations; Mahila Mandals Professional Consultancy Organisations etc.

9. ROLE OF BOARD OF DIRECTORS

- Review the recommendations made by the CSR Committee.
- Approve the CSR policy of the Company.
- Disclose the contents of the policy in the Company's report/website.

10. AREA OF CSR INITIATIVES AND ACTIVITIES:

The CSR Committee shall while spending/contributing the Annual CSR Budget earmarked for the CSR Initiatives/Activities shall give preference to the local areas and areas around it where the Company operates.

11. DETAILS ON CSR AS INDICATED BELOW WILL BE REPORTED IN THE ANNUAL REPORT OF THE COMPANY:

- (a) A Brief outline of the CSR policy;
- (b) The Composition of the CSR Committee.
- (c) Average net profit of the Company for the last three financial years.
- (d) Prescribed CSR expenditure.
- (e) Total amount to be spent for the financial year;
- (f) Amount unspent, if any;
- (g) Amount carried forward from earlier years;
- (h) Amount spent during the year in the prescribed format;
- (i) Amount carried forward for the year.

In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The progress of CSR Initiatives and Activities under implementation will be reported to the Board of Directors of the Company on regular basis.

In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The progress of CSR Initiatives and Activities under implementation will be reported to the Board of Directors of the Company on regular basis.

12. GENERAL:

Any or all provisions of this CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by Government of India, from time to time.

The Company also reserves the right to modify, cancel, add, or amend any of the provisions of this CSR Policy.