



# CORPORATE SOCIAL RESPONSIBILITY POLICY

**Himalaya Food International Ltd.**

CIN : L70102DL1992PLC047399 Formerly known as Himalya International Ltd.

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## **1. PREFACE**

Corporate Social Responsibility (“CSR”) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, stakeholders, communities and the environment in all aspects of their operations.

CSR is Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. Therefore, CSR is closely linked with the practice of Sustainable Development. CSR extends beyond philanthropic activities and reaches out to the integration of social and business goals.

## **2. APPLICABILITY**

The CSR Policy is applicable to the Company and has been developed in consonance with Section 135 of the Companies Act, 2013 read with Company (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”). The CSR Policy shall apply to all CSR activities undertaken by the Company in India in accordance with Schedule VII to the Companies Act, 2013.

## **3. DEFINITIONS**

- (i) “Act” means the Companies Act, 2013.
- (ii) “Board of Directors” or “Board” means the collective body of the Directors of the Company.
- (iii) “Company” means Himalaya Food International Limited.
- (iv) “CSR Policy” means Corporate Social Responsibility Policy of Himalaya Food International Limited, as may be amended from time to time.
- (v) “CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- (vi) “Implementing Agency” means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the Company to implement various projects in pursuance of CSR Policy.
- (vii) “Administrative overheads” mean the expenses incurred by the Company for general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- (viii) “Ongoing Project” means a means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification;

Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the Company.

## **4. PURPOSE**

This CSR Policy encompasses the philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs and activities beyond business which include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programs geared towards social welfare activities or initiatives.

The Company through the CSR Activities will endeavour to enhance value creation in the society and in the community, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.

The objective of this CSR Policy is to:

- (i) Outline projects, programs and activities to be undertaken by the Company;
- (ii) Specify the modalities of execution of such projects, programs and activities;
- (iii) Monitor the process to be followed for such projects, programs and activities;
- (iv) Directly or indirectly take up programs that benefit the communities in and around its work centres and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace; and
- (v) Generate community goodwill for the Company and help reinforce positive and socially responsible image, through our CSR Activities.

## **5. RESPONSIBILITY OF THE BOARD OF DIRECTORS**

The Board shall be responsible for the following under this CSR policy:

- Approving CSR Policy of the Company;
- Formulating an annual action plan in pursuance of CSR Policy;
- Disclosing the content of the policy in its report and placing the policy on the Company's website in the manner prescribed under section 135 of the Act;
- Ensuring that the CSR activities are related to the activities, areas or subjects included in Schedule VII of the Act;
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects;
- Ensuring that reasons for not spending of earmarked amount are disclosed in the Board's report in case the Company fails to spend such amount;

The Board should recommend the approach and direction of CSR activities to be undertaken by the Company and provide guiding principles for:

- Selection of CSR projects / programmes / activities
- Implementation of CSR projects / programmes / activities
- Monitoring of CSR projects / programmes / activities
- Formulation of the annual action plan

## **6. CSR PROJECTS/ ACTIVITIES TO BE UNDERTAKEN**

**A. The Company shall undertake such activities which are broadly related to any of the following:**

- ✚ Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation;
- ✚ Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

- ✚ 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;
- ✚ 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;
- ✚ 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 art and handicrafts;
- ✚ Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- ✚ Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- ✚ Rural development projects;
- ✚ Development of area declared as “slum area” by the Government or Competent Authority;
- ✚ Disaster management, including relief, rehabilitation and reconstruction activities;

**The Company may also contribute to the following funds as part of CSR activities:**

- ✚ Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation;
- ✚ Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- ✚ Prime Minister’s National Relief Fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ✚ Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
- ✚ Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in

science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

The above areas as enshrined in Schedule VII to the Act and included in this policy aims to provide macro areas in which CSR projects should be undertaken by the Company. The CSR activities will be carried out in a manner that the preference to undertake them in and around the local area where the Company operates. Any CSR activity proposed to be undertaken as a CSR initiative, but not specifically covered in the aforesaid, may be undertaken only with the prior approval of the Board.

## **7. CSR EXPENDITURE**

The Board of Directors shall ensure to spend, in every financial year, at least two percent of the average net profits<sup>1</sup> of the Company made during the three (03) immediately preceding financial years towards CSR activities / programs. The Annual CSR Budget shall be approved by the Board of Directors of the Company before undertaking any CSR expenditure.

If the Company fails to spend such amount which is not related to any ongoing projects, the Board shall in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer such unspent amount to a Fund specified under Schedule VII within a period of six months of the expiry of the financial year.

In case the unspent amount relates to any ongoing projects, subject to fulfilling of prescribed conditions, the unspent amount shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Any surplus arising out of the CSR activities/programmes shall not form a part of the business profits of the Company and shall be utilized for CSR activities in accordance with the Act.

Subject to the provisions of the Act, CSR spend in excess of the statutory requirement will be disclosed in the Board report and may be set off against the requirement to spend towards CSR activities for the subsequent years with the approval of the Board.

## **8. MODE OF IMPLEMENTATION**

The Company shall implement the identified CSR activities by the following means:

- ✚ The Company may itself implement the identified CSR activities which are within the scope of Schedule VII of the Act;
- ✚ The CSR activities/ programmes shall be undertaken directly or through Section 8 Company/ Registered Public Trust/ Registered Society registered under Section 12A and approved under section 80G of the Income Tax Act, 1961 established by any of the following and having CSR Registration Number allotted by the Ministry of Corporate Affairs (MCA):
  - Company singly or along with any other Company;
  - Central or state Government;

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<sup>1</sup> "Net Profit" shall be computed in accordance with the provisions of Section 198 of the Companies Act, 2013.

- Any third party provided that the said entity has a track record of at least three (03) years in undertaking similar activities;
- Any entity established under an Act of Parliament or state legislature

✚ The Company may engage the international organizations as notified by Central Government for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy.

## **9. ANNUAL ACTION PLAN**

The Board shall formulate an annual action plan which shall include the following:

- ✓ the list of CSR projects or programmes that are approved and to be undertaken by the Company;
- ✓ the manner of execution of such projects or programmes;
- ✓ the modalities of utilization of funds and implementation schedules for the projects or programmes;
- ✓ monitoring and reporting mechanism for the projects or programmes; and
- ✓ details of need and impact assessment, if any, for the projects undertaken by the Company

The Board of Directors are empowered to alter the annual action plan during the financial year, based on the reasonable justification for such change.

## **10. MONITORING**

To ensure effective implementation of the CSR activities/programmes undertaken a monitoring mechanism will be put in place by the Company. The Board will monitor and review on a regular basis or as and when required, the progress of CSR initiatives undertaken. The fund utilization made in projects as approved by the Board, will be certified by the Chief Financial Officer (“CFO”) of the Company.

In case of deviation in implementation as defined in the annual action plan, such changes shall be approved by the Board of Directors of the Company. In order to ensure transparency and communication with all stakeholders, the CSR Policy will be uploaded on the Company’s website and made available in the public domain.

## **11. REVIEW**

The Board shall be responsible for the monitoring and review of this policy in accordance with applicable laws from time to time and shall as and when it deems necessary amend/ modify/ revise the CSR Policy.