



NHC FOODS LIMITED

Corporate Social Responsibility (CSR) Policy

I. PREAMBLE:

NHC FOODS LIMITED (“NHC” or “The Company”) is governed by the Companies Act, 2013 (“The Act”), the Rules and Regulations framed thereunder by Ministry of Corporate Affairs (“MCA”) and Securities and Exchange Board of India (“SEBI”) LODR Regulations, 2015 (“LODR Regulations”).

Section 135 of The Act requires the Board of the Company after taking into account the recommendations made by the Corporate Social Responsibility Committee to approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company’s website.

NHC FOODS LIMITED believes in corporate excellence and social welfare. This corporate philosophy is the force for integrating Corporate Social Responsibility (CSR) into NHC values, culture, operation and business decisions at all levels of the organization. Being a responsible corporate citizen, NHC has a value system of giving back to society and improving life of the people and the surrounding environment. The Company is committed to make substantial improvements in the social framework of the nearby community. Looking at the social problems which the country faces today, the contribution by any corporate may look tiny. However, we believe that every such contribution shall bring a big change in our society.

II. DEFINITION:

(a) “Act” means the Companies Act, 2013 and Rules framed thereunder;

(b) “Company” The words “This Company”, “The Company”, “Company” wherever occur in the policy shall mean “NHC FOODS LIMITED”.

(c) “Corporate Social Responsibility (CSR)” carries the same definition as provided under the Act or Rules made thereunder;

(d) “CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

(e) “CSR Policy” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan in accordance with the Act;

(f) “Long Term Projects / On-going projects” means a multi-year project undertaken by a Company, as approved by the Board, in fulfilment of its CSR obligation having timelines not exceeding three years. Any project(s) whose duration has been extended beyond one year, shall be considered as Long Term Projects / On-going projects, with the approval of the Board.

III. INTERPRETATION:

Words and expressions used and not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 or rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other Guidelines/ Regulation(s) promulgated by SEBI/ other statutory authorities and any amended(s) thereto from time to time.

IV. GUIDELINES:

(a) CSR Activities:

The CSR initiatives of the Company are identified in consultation with the management, social experts, community and other stakeholders. The implementation strategy is planned in a way so as to give sustainable and scalable solutions.

The identified focus areas for the Company are:

- i) Eradicating hunger, poverty and malnutrition, promoting health care including 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
- 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 setup 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) Measure for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

viii) Contribution to the 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

ix) (a) 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; and

(b) 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);

x) Rural development projects;

xi) slum area development. *(the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.)*

xii) disaster management, including relief, rehabilitation and reconstruction activities.

xiii) Such other activities as may be recognized by the Committee/Board or as may be required/ permissible under prevailing law(s)."

(b) Annual Action Plan:

For every financial year, the CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy, which shall include the following, namely:

(i) The list of CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII of the Act;

(ii) The manner of execution of such projects or programmes;

(iii) The modalities of utilisation of funds and implementation schedules for the projects or programmes;

(iv) Monitoring and reporting mechanism for the projects or programmes; and

(v) Details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that Board may alter such Annual Action Plan at any time during the financial year, as per the recommendation of CSR Committee, based on the reasonable justification to that effect.

(c) CSR Expenditure:

The Company shall spend in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years on CSR projects in accordance with the policy.

CSR expenditure in a financial year in excess of 2% of the average of the net profits of the Company during the three immediately preceding financial years, may be set off against the CSR contribution in succeeding three financial years with the approval of the Board, as permissible under the provisions of the Companies Act, 2013. Further, subject to certain conditions, the surplus, if any, arising out of the CSR projects, programmes or activities shall not form a part of the business profits of the Company and will be ploughed back into the CSR activities.

(d) Implementation Process:

The Company shall undertake CSR activities in any one or more of the following manners:

a) The Company may carry on CSR activities directly by having its own personnel;

b) In collaboration with other companies, provided that the Company shall report separately on its share of projects, programs and activities;

c) Through various Implementing Agencies, registered with MCA; and

d) Through a registered trust or a registered society or a company established by the Company or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013 and registered with MCA.

e) In case of any registered trust or a registered society or a company not established by the Company, it must have registered with MCA and must have 3 year's track record of implementing similar projects.

(e) Monitoring mechanism:

The implementation of the CSR policy and execution of projects, programmes and activities undertaken by the Company shall be carried out under the overall superintendence, control and guidance of the CSR Committee. The CSR Committee shall closely monitor such activities and may also further constitute internal monitoring groups and/or sub-committees for different projects, programmes and activities, as may be required from time to time. The CFO of the Company shall on quarterly/ Annual basis, give utilisation certificate of disbursement of funds made for CSR.

The minutes of the meetings of the CSR Committee shall be placed before the Board of Directors for their information. The Board of Directors shall have the power to make amendments, suggest new measures and/ or otherwise amend the powers of the CSR Committee from time to time.

Impact assessment of CSR projects will be carried out as deemed necessary by the Board or if required pursuant to the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules").

(f) Reporting:

(i) The website of the Company shall disclose the composition of the CSR Committee, CSR Policy and approved CSR Projects.

(ii) The Annual Report on CSR activities shall also be included in the Board's Report as per

Limitation and Amendment In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, Rules, the provisions of LODR Regulations or such Act or statutory enactments, Rules shall prevail over this Policy.

Any subsequent amendment / modification in the Act, Rules and/ or applicable laws in this regard shall automatically apply to this Policy.
