

**GHATGE PATIL INDUSTRIES LIMITED
UCHGAON, KOLHAPUR 416005**

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

TABLE OF CONTENTS

1. SHORT TITLE AND APPLICABILIRTY
2. CSR VISION STATEMENT AND OBJECTIVE
3. RESOURCES AND ALLOCATION FUNDS
4. PLANNING
 - 4.1 PLANNING
 - 4.2 IDENTIFICATION OF THRUST AREAS
 - 4.3 EVALUATION
5. IMPLEMENTATION
6. MONITORING AND FEEDBACK
7. CONSTITUTION AND MEETING OF CSR COMMITTEE
 - 7.1 CONSTITUTION
 - 7.2 THE DUTIES, FUNCTIONS AND SCOPE OF THE COMMITTEE
 - 7.3 MEETING
 - 7.4 ROLE AND RESPONSIBILITIES OF CSR COMMITTEE
8. SPENDING LIMITS
9. REVIEW OF EXPENDITURE
10. TRANSFER OF UNSPENT CSR AMOUNT:
11. UPKEEP AND MAINTENANCE OF ASSETS CREATED:
12. GENERAL

ANNEXURE -A

1. SHORT TITLE AND APPLICABILITY:

- 1.1 This policy, which encompasses the GPILs philosophy for discharging its responsibility a corporate citizen and lays down the guidelines and mechanism for undertaking society useful programmes for welfare and sustainable development of the community at large, is titled as the GPILs 's CSR Policy.
- 1.2 This policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different segments of the society.
- 1.3 This policy shall be read in line with the provisions section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications as may be applicable and as amended from time to time.

2. CSR VISION STATEMENT AND OBJECTIVES:

- 2.1 Actively contribute to the social and economic development of the communities in which we operate. In doing so build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".
- 2.2 The key objectives of CSR Policy are to:
 - 2.2.1 To define the kind of projects/ activities that will come under the ambit of CSR;
 - 2.2.2 To identify broad areas of activities in which the company will undertake projects;
 - 2.2.3 Ensure an increased commitment at all levels in the organization to operate its business in an economically, socially and environment sustainable manner while recognizing the Interests of all its stakeholders.
 - 2.2.4 Directly or indirectly take up programmes that benefit communities at large and results. Over a period of time, in enhancing the quality of life and economic well-being of local populace.
 - 2.2.5 Generate, through its CSR Projects, a community goodwill for GPIL and Help reinforce a positive and socially responsible image of GPIL as a corporate entity.
 - 2.2.6 Encourage alignment with development goals related to gender sensitivity, Skill enhancement, entrepreneurship development etc.
 - 2.2.7 Execute and monitor CSR projects and to identify partners, if required for implementation of the CSR activities.

3. RESOURCES AND ALLOCATION OF FUNDS

For achieving its CSR objectives through implementation of meaningful & sustainable CSR projects/programs, GPIL shall endeavour to allocate the following as its Annual CSR Corpus:

- i) 2% of average net profits made during the three immediately preceding financial years, as prescribed under the Companies Act, 2013 and the Rules;
- ii) Any income arising therefrom; and
- iii) Surplus arising out of CSR activities.

It is clarified that surplus arising out of CSR projects/ programs shall not form part of business profits of the Company and shall be ploughed back into the same project or transfer to unspent CSR account and be spent within a period of 6 months of the expiry of year.

4.

4.1 PLANNING

GPIL shall prepare its Annual CSR Plan at the beginning of each Financial Year according to the availability of resources, on recommendation of the CSR Committee if any and approval of the Board.

The CSR activities (Projects / Programmes) which GPIL plans to undertake shall be the activities falling within the purview of Schedule VII of the Companies Act, 2013 as amended from time to time and does not include the activities undertaken in pursuance of normal course of business of the company.

4.2 IDENTIFICATION OF THRUST AREAS:

The CSR Committee has identified the following thrust areas around which the Company shall be focusing for its CSR activities:

- i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation(including contribution to the Swachh 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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; 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;
 - 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.

Explanation.- For the purposes of this item, 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

The following activities and the amount, if any spent, shall not be considered as CSR activities and shall not be included in computing the CSR expenditure

- i) All activities undertaken in pursuance of normal course of business.
- ii) All activities or programmes undertaken to benefit only the employees of the company and their families
- iii) Contribution of any amount directly or indirectly to any political party under section 182 of the Act
- iv) 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
- v) Expenses incurred for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) applicable to the Company would not count as CSR expenditure under the Companies Act.
- vi) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

The CSR Committee shall be authorized to consider CSR activities within the CSR rules framed by the Ministry of Corporate Affairs not falling in the above list. All activities under the CSR activities should be environment friendly and should be in the interest of the society and the local population where the company's plants are situated. Any activity proposed to be undertaken as a CSR initiative, but not outlined in this Policy, may be undertaken only with the specific pre-approval from the CSR Committee.

4.3 EVALUATION

CSR Projects will be undertaken within the defined ambit of the identified thrust areas. Such activities / programmes shall be identified on basis of need identification studies or internal need assessment or receipt of proposal/requests etc. On the advice of CSR Committee, Company shall undertake the projects in the thrust areas mentioned herein above.

5. IMPLEMENTATION:

CSR programs, projects or activities, will be implemented through one or more of the following methods:

- i) Directly by the Company;

- ii) In collaboration with other organizations, if such organisation falls under the Rule 4 of the Companies (CSR Policy) Amendment Rules, 2021
- iii) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- iv) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government;
- v) any entity established under an Act of Parliament or a State legislature
- vi) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

6. MONITORING AND FEEDBACK

- 6.1 The company has set up a CSR Implementation Team which is responsible for implementation of the CSR activities which have been approved by the CSR Committee at the Board Level
- 6.2 To ensure effective implementation of the CSR Projects undertaken, a monitoring Mechanism will be put in place. The progress of CSR Projects under implementation will be reported by CSR Implementation Team to any of the members of the CSR Committee on quarterly basis and that members will report the progress report in the forthcoming committee meeting.
- 6.3 Committee shall conduct impact studies on a periodic basis, through independent professional third parties/ professional institutions especially on the strategic and high value programmes and will also try to obtain feedback from beneficiaries about the programmes.
- 6.4 CSR team shall monitor the progress of CSR projects by regular site visits, ground level feedback and other suitable methodologies.
- 6.5 The progress report of CSR Projects under implementation in the format given in Annexure –A shall be placed before the Board on annual basis
- 6.6 CSR initiatives of GPIL shall form part of Annual Report of the company containing particulars as prescribed under the Rules

7. CONSTITUTION AND MEETING

7.1 Constitution

The CSR Committee shall be comprised in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder. The details of the composition will be hosted on the Company's website at www.gpi.co.in. The CSR Committee shall comprise of a minimum of three directors, at least one of whom, shall be an independent director.

Where the amount to be spent by a company under sub-section (5) of the Companies Act 2013 does not exceed fifty lakh rupees, the requirement under sub-section (1) of the Act for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of CSR Committee shall, in such cases, be discharged by the Board of Directors.

7.2 The duties, functions and scope of the Committee:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in the areas or subject as specified in Schedule VII of the Act read along with the rules made thereunder;
- 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 from time to time.

7.3 Meeting

The CSR Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

The CSR Committee may invite members of senior management, representatives of Company, CSR implementation team and other persons as it deems necessary, to the Committee meetings.

7.4 Role and responsibilities of CSR Committee:

The key roles and responsibilities of the CSR Committee are as follows:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

8. SPENDING LIMITS:

- 8.1 All the expenditure relating to CSR shall be pre-approved by the CSR Committee and the Chief Financial Officer shall monitor the utilization of funds for the purposes set forth.
- 8.2 The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- 8.3 If the Company fails to spend amount as per Section 135(5) of the Companies Act, 2013, the Board shall, specify the reasons for not spending the amount in the Directors Report.
- 8.4 If the company spends an amount in excess of the requirements provided under section 135(5) of the Companies Act, 2013 the Company may set off such excess amount against the requirement to spend up to immediate succeeding 3 financial years and in such manner, as may be prescribed under the act.

9. REVIEW OF CSR EXPENDITURE

The expenditure on CSR activities shall be reviewed by the Committee/ Board on quarterly basis.

CSR Committee shall have the powers to ask the Organization/Institution to whom CSR fund is allocated to submit a Utilization Certificate with statement of expenditure.

10. TRANSFER OF UNSPENT CSR AMOUNT:

The Company shall transfer the Unspent CSR amount to fund as specified in Schedule VII within a period of six months of the expiry of the financial year

11. UPKEEP AND MAINTENANCE OF ASSETS CREATED:

Maintenance of Assets created under CSR would be the Responsibility of the Company. Before any Capital investment is made, an undertaking would be taken from the representatives of local community that they would be responsible for maintenance of the Assets and the disposal of such assets shall not be made without the prior approval of the CSR Committee.

12. GENERAL:

- 12.1 All CSR activities and expenses made thereon will be subject to audit.
- 12.2 GPIL reserves the right to modify, cancel, add or amend any of the above rules / Guidelines.
- 12.3 The Board of Directors, on its own and / or as per the recommendations of the CSR Committee may amend this Policy as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.
- 12.4 In case of any doubt with regards to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.

Annexure – A

Format of Progress Report

Sr. No.	1	2	3	4	5	6	7
	CSR project/ Activity identified	Sector in which the project is covered	Projects/ Programmes	Amount outlay (budget) project/ programme wise	Amount spend on the Programme/ Project Subheads 1.Direct expenditure On projects 2.Over heads	Cumulative spend upto the Reporting period	Amount spent Direct through Implementing agency