

Corporate Social Responsibility (CSR) Policy

Document Control Section

Document Name	Corporate Social Responsibility Policy
Abstract	The Corporate Social Responsibility emphasizes Gawar Construction Limited's (GCL) dedicated approach to contribute and execute the CSR Vision of the Company such as Social growth, Equality and humanity integrity.
Location	Hisar (Haryana)

Reviewed/Executed by

Corporate Social Responsibility Committee

Approved by

Board of Directors

GAWAR CONSTRUCTION LIMITED **Corporate Social Responsibility (CSR) Policy**

Gawar Construction Limited ('GCL') has renewed/modified/updated the Corporate Social Responsibility Policy in accordance to the current scenario and pursuant to a resolution of the Board of Directors passed in the meeting duly held on 20th day of March, 2021. The key principles of the CSR policy are set out below:

1. BACKGROUND

Recognizing that business enterprises are economic organs of society and draw on societal resources, it is Gawar Construction Limited's (GCL) belief that a company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. In line with this belief, GCL shall continue creating unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of GCL's business. Programme, projects and activities (collectively "CSR Programme") carried out in this regard are the subject matter of this Policy.

2. CSR VISION STATEMENT

In alignment with vision of the company, Gawar Construction Limited (GCL), through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate citizen.

3. PURPOSE

The key purpose of this policy is to:

- Identify broad areas of intervention in which the company may undertake projects;
- Serve as a guiding document to help execute and monitor CSR projects;
- Broad criteria for implementation agencies;
- Ensure an increased commitment at all levels in the organization;
- Directly or indirectly take up programs that benefit the communities in & around its work centers and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace;

4. CSR ACTIVITIES

In accordance with the requirement under the Companies Act 2013, GCL' CSR Activities, amongst other will as follows:

- Hunger, Poverty, Malnutrition and Health: Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
- Promoting education: Promoting education in Rural Area, enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies;
- Gender Equality and Empowerment of Women: Promoting Gender Equality and empowering women; setting of homes, 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, agro forestry, 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 arts and handicrafts;
- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- Contribution to the Prime Minister's National Relief 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;
- Rural development projects;
- Such other activities as may be recommended by CSR Committee and approved by the Board from time to time as per Schedule VII of the Companies act, 2013.

5. IDENTIFICATION OF THRUST AREAS AND STRATEGIC INITIATIVES:

For the purpose of focusing GCL CSR Policy in a continued and effective manner, the following thrust areas have been identified as to:

- promote education;
- health and welfare;
- community well being;
- promote gender equality and empower women;
- reduce child mortality and improve maternal health;
- ensure environmental sustainability;
- enhance vocational skills on employment;
- social business projects;
- eradicating extreme hunger and poverty
- Such other matters as may be decided from time to time, and also may include activities which are connected to the company's core activities and fruitful in the long run.

6. EXCLUSION FROM CSR

The Following activities are restricted and shall not form part of CSR Activity:

- Company shall Endeavour not to include any of the business activities undertaken in the normal course of business of the Company within the ambit of CSR activities;
- Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR activity;
- CSR Projects or activities that benefit only the employees of the Company and their families shall not be considered CSR activities.
- No contribution to be made for any activities undertaken outside India. The surplus, if any arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company;
- Expenditure not in line with the CSR Activities shall not be included;
- Expenses incurred by companies for fulfilment of any Act/Statute of regulations would not count as CSR Expenditure under the Companies Act. CSR projects/programs or activities that benefit only the employees of the Company and their families.
- Any other such activities as may be notified by the concerned authority in this behalf.

7. CSR EXPENDITURE

In compliance of the Act & with the approval of the Board of Directors, the CSR Committee shall endeavour to spend at least 2% of the average net profits of the three immediately preceding financial years on CSR Activities as enumerated above. CSR spend shall be made on or before 31st March of the relevant financial year. Any surplus arising out of the contribution made for CSR Activities shall not form part of the business profit of the company and be redeployed for such activities.

If the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the Companies Act, 2013, specify the reasons for not spending the amount and unless the unspent amount relates to any ongoing project referred to in sub-section (6) of section 135 of the Companies Act, 2013, transfer such unspent amount to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.

8. IMPLEMENTATION STRATEGY

The CSR activities shall be implemented in two ways as below:

- Directly by Gawar Construction Limited
- Through Company's Trust namely Gawar Foundation
- Through any other Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time

9. CSR COMMITTEE FORMULATION AND STRUCTURE:

The Corporate Social Responsibility Committee is constituted by the Board of Directors of Gawar Construction Limited ("GCL") in their meeting held on 5th July, 2014 in compliance with Section 135 of the Companies Act, 2013 ("the Act") read along with Schedule VII & the applicable rules thereto and approved the existing CSR Policy of the Company in their meeting duly held on 23rd August, 2014.

In according to the current scenario CSR Committee noted some amendments required in the existing CSR Policy of the Company and recommendation made before the Board in this regards and Board approved the same in their Meeting duly held on 20th March, 2021. The amended Corporate Social Responsibility (CSR) Policy (“the policy”) is in compliance with Section 135(3) of the Act read along with the Companies (Corporate Social Responsibility Policy) Rules, 2013 (“the rules”).

GCLs’ Corporate Social Responsibility (CSR) involves participating, contributing and make our presence in social, economic, infrastructural, educational, cultural developments etc; for augmenting the quality of life of the people of our country, especially in and around areas where are our registered office are located.

- **STRUCTURE**

The CSR governance structure will be headed by the Board-level CSR committee to oversee the Implementation of CSR Policy and monitoring CSR activities. The Committee will comprise of Minimum 3 Directors of which one Director shall be independent and in compliance with the Requirements of Section 135 of the Companies Act, 2013 or any amendments thereof. This committee will report to the Board of the company. CSR Committee will be formed to monitor and guide the CSR activities. CSR Committee may be reconstituted as and when required without change in CSR policy of the Company.

- **SCOPE OF WORK OF CSR COMMITTEE**

- Formulate and update GCLs’ CSR Policy, which will be approved by the Board;
- Suggest areas of intervention;
- To track the progress of each project;
- Recommend the CSR expenditure to the Board for approval;
- The Board-level CSR committee, based on reports presented by the Management, will annually publish report on the CSR projects as a part of the Director’s report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013 or any amendments thereof.
- Or all other activities as may be required to be done for the fulfilment of objects of CSR Policy.

- **MEETINGS OF CSR COMMITTEE**

The CSR Committee may meet at such intervals as may be considered appropriate by the Committee or as and when required. Besides the physical meeting, the Committee may hold a meeting through video conference or tele-conference or any other similar mode.

- **NOTICE AND AGENDA OF CSR MEETING**

A notice of not less than 7 working days before the date of the meeting specifying the date, time & venue of the meeting together with the list of business to be conducted at the meeting shall be circulated to each member of the Committee either physically or by electronic means. The meeting may be called at shorter notice or the notice period may be waived off provided the consent of all the members is recorded in writing.

- **QUORUM**

No business will be transacted at the meeting unless at least two members are present.

- **SECRETARY**

The Company Secretary shall act as the secretary of the Committee meetings.

- **MINUTES OF MEETING**

The Secretary shall be responsible for drafting & maintaining the minutes of the CSR Committee meetings. The draft minutes will be circulated to the members for their inputs and each approved minutes will be placed before the Board of Directors for noting.

- **RESOLUTION PASSED BY CIRCULATION**

A resolution shall be valid and effective as if it has been passed at a CSR Committee meeting duly called & constituted, if it is passed by circulation by an affirmative majority vote of the members. The resolution passed by the circulation shall be recorded in the minutes of the subsequent meeting of the Committee.

10. GENERAL

- All administrative expenses including expenditure on wages & salaries, tours and travels, Training & development of personnel deputed on CSR activities would be borne from CSR funds;
- If it is observed that any CSR activity taken up for implementation is found not properly Implemented, GCL at its discretion may discontinue funding the activity at any time during the course of implementation;
- CSR Committee shall be empowered to amend or modify this policy and such changes shall be placed before the Board for approval;
- In case of any doubt with regard 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 & decision of the CSR Committee shall be final.
- The provisions of the CSR policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Central Government or the Ministry of Corporate Affairs from time to time.
- The Company reserves the right to modify, cancel, add, or amend any of these Rules.

REGISTERED OFFICE

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