



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **I. Preamble**

Gillanders Arbuthnot and Company Limited (GACL) believe that growth, success and progress of a Company are not reflected only by its balance sheet but also by its ability to make a positive difference in the lives of people. GACL tries to address the needs of people by taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure and community development.

At GACL, we do not limit ourselves in using resources only for earnings but also engage in activities which enrich and enhance the lives of everyone around us. GACL's Corporate Social Responsibility (CSR) initiatives are continuous commitment to contribute to economic development and to improve the quality of life of humankind. Business decisions are based not only on financial factors, but also on social and environmental impact of such decisions.

GACL believes that the true measure of growth, success and progress of a Company lies in its ability to improve, enhance and enrich the lives of people. Through its social investments, GACL tries to address the needs of communities residing in the vicinity of its facilities. The Corporate Social Responsibility Policy of the Company has been prepared keeping in mind the Company's business ethics and to comply with the requirements of the Companies Act, 2013 and the Companies (Companies Social Responsibility Policy) Rules, 2014.

### **II. Objective**

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

### **III. Corporate Social Responsibility Committee**

#### **a. Composition:**

The Corporate Social Responsibility Committee shall consist of atleast 3 Directors amongst whom atleast one shall be an Independent Director.

#### **b. Meetings:**

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold atleast one meeting in a financial year.



**c. Quorum:**

The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

**d. Sitting Fee:**

The Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors.

**e. Role of CSR Committee:**

The role of CSR Committee is:

- a. To 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 of the Companies Act, 2013;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- c. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for the company and disclose its contents in their report and also publish the details on the Company's website, in such manner as laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

The Board of Directors shall endeavour that the Company spends 2% of its average net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

**IV. Key Features:**

The key features of the Corporate Social Responsibility Policy of the Company are:

1. To align with the Corporate Social Responsibility Rules framed by the Ministry of Corporate Affairs, the Social investments of the Company would be broadly in the areas of health, education, environment conservation and sustainability, and social business projects.
2. CSR activities would be generally conducted as projects or programmes and would be undertaken for eradication of extreme hunger and poverty, promotion of education, promotion of gender equality, empowerment of women, contribution to build nursing training institutes, hostels and for providing nursing training, reducing child mortality, improvement of maternal health, combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases, slum area development and rural development projects, employment



enhancing vocational skills, ensuring environmental sustainability, sanitation including contribution to swach bharat kosh set up by the Central Government, contribution for rejuvenation of River Ganga, protection of natural heritage, art & work, provide measures for the armed forces veterans, war widows and their dependants, promotion of rural sports, nationally recognized and Olympic sports, contribution to the Prime Ministers National Relief Fund or any other set up by the Central Government for socio-economic development, contributions or funds provided to technology incubators located within academic institution which are approved by Central Government and rural development projects.

3. GACL may set up a Trust or Section 8 Company or Society or Foundation or any other form of entity within India in order to facilitate the implementation of its CSR projects and / or programmes.
4. GACL may also undertake the implementation of its CSR projects and / or programmes through Trusts, Societies, or Section 8 Companies operating in India, which are not set by GACL, and who have an established track record of at least three years in carrying on activities in related areas.
5. GACL may also collaborate or pool resources with its Group Companies or any other Company(ies) to implement its CSR projects and / or programmes.
6. The CSR Committee, constituted by the Board of Directors of the Company, would recommend to the Board of Directors, the projects and / or programmes which are to be undertaken by GACL and shall also recommend the modalities of execution in the areas /sectors chosen and implementation schedules for the same.
7. Based on the recommendation of the CSR Committee, the Board of Directors of the Company shall decide upon the vehicle through which the CSR projects / programmes would be undertaken i.e. whether the projects and / or programmes are to be undertaken by GACL on its own or by pooling of resources or through a Trust or Section 8 Company or Society or Foundation, whether set up by GACL or not and operating in India, or in any combination thereof.
8. The implementation of the projects and /or programmes would be monitored as per the monitoring mechanism prepared and set up by the CSR Committee. The primary function of the monitoring mechanism would be to ensure that the allocations are spent for the intended purposes and are spent in India only.
9. All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR committee, which would then be placed before the forthcoming CSR committee for noting and record. The Chairman will ensure that the expenses/ contribution and donation will be in full compliance of the CSR Policy. Review for the expenses should be approved by the Board on recommendation by the CSR committee.
10. The surplus arising out of the CSR projects or programmes would not be a part of business profits of GACL.



11. The corpus for CSR projects and /or programmes would include 2 per cent of the average net profits immediately preceding 3 financial years, any income arising there from and the surplus arising out of CSR activities.

**V. Conclusion:**

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 Committee shall be final.

Any or all 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 Government, from time to time.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

**Date: November 14, 2014**

