



Ref. No. HR/CSR/280/8/2021(1)

Date: 07 Sep 2021

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY POLICY

PREAMBLE

1. GRSE as a responsible Corporate citizen is committed to take up different developmental projects, as a part of its Corporate Social Responsibility (CSR) and Sustainability initiative, towards improving the quality of lives of the underprivileged sections of the society and other stakeholders primarily in the vicinity of the production units and anywhere in India thereby making a meaningful difference in people's lives, strive to contribute towards sustainable development of the society and become a partner in nation building. GRSE cultivates socially sustainable and inclusive development practices through its CSR and Sustainability initiatives by supporting healthcare, education & skill development, Swachh Bharat initiatives, environment protection, development of backward regions, mainstreaming the differently - abled and upliftment of marginalized sections of the society.

CSR & SUSTAINABILITY VISION, MISSION & OBJECTIVE

2. VISION

To be a model socially responsible corporate entity committed to achieve inclusive growth of the marginalized and deprived sections of the society through its CSR and Sustainability initiatives.

3. MISSION

To strive for excellence in promoting value creation in the Society and in the community, with special thrust on the locality around the production units through various CSR and Sustainability projects, in fulfillment of its role as a socially responsible Corporate entity.

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4. **OBJECTIVE**

(a) To reckon CSR and Sustainability initiatives as an integral part of GRSE's corporate philosophy integrating business processes with social processes.

(b) To implement CSR activities to empower weaker, less privileged and marginalized sections of the society and create social capital.

5. **DEFINITIONS**

(a) "Act" means the Companies Act, 2013 (18 of 2013);

(b) "Administrative overheads" means 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;

(c) "Annexure" means the Annexures of the Revised CSR Policy;

(d) "Corporate Social Responsibility (CSR)" means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Companies Act, 2013 and in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, issued by Ministry of Corporate Affairs as well as other guidelines/ directives issued by the Government from time to time, but shall not include the following:

(i) Activities undertaken in pursuance of normal course of business of the company.

(ii) Contribution of any amount directly or indirectly to any political party;

(iii) Activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

(iv) Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;

(v) Activities carried out for fulfilment of any other statutory obligations under any law in force;

- (e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act;
- (f) "CSR Policy" means a statement containing the approach and direction given by the Board of Directors of the 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;
- (g) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act,
- (h) "Ongoing Project" means a multi-year project undertaken by the 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 with due approval of the Board;

6. **SCOPE**

- (a) CSR projects will be undertaken as envisaged under Schedule VII of the Companies Act, 2013 and any changes / updations in the Companies Act, 2013 will be adopted as well as any other guidelines / directives issued by the Government from time to time in this respect.
- (b) The projects / activities specified in Schedule VII {items (i) to (xii)} of the Companies Act, 2013 are enumerated below:
 - (i) Eradicating hunger, poverty and malnutrition, [promoting healthcare including preventive health care] and sanitation [including contribution to 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.

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- (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 Clean Ganga fund set-up by the Central Government for rejuvenation of river Ganga.
- (v) Protection of national heritage, art and culture including restoration of building 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.
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- (viii) 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 Schedule Tribes, other backward classes, minorities and women.
- (ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government and contributions to public funded Universities, Indian Institute of Technology(IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organization (DRDO), [Department of Biotechnology (DBT)], Department of Science and Technology (DST)], Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

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(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.”

(c) The Company will give preference to the local area and areas around its Units, for undertaking CSR activities.

7. **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The CSR Committee of the Board of Directors shall consist of 03 or more Directors, out of which at least one Director shall be an Independent Director and Company Secretary will be the Secretary of this Committee. The functions of the Board Level CSR Committee shall be as under :

(a) The CSR Committee shall formulate and recommend to the Board, an annual action plan in accordance with the activities specified in Schedule VII of the Companies Act, 2013 or any other directives issued by the Government from time to time.

(b) Recommend the amount of expenditure to be incurred on the activities included in the annual action plan.

(c) Monitor the implementation of the approved CSR projects and activities;

(d) Monitor the CSR Policy from time to time.

8. **IMPLEMENTATION MODALITIES**

The CSR activities may be undertaken directly by the company itself or through any of the following :

(a) Any 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

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- (b) Any company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) Any entity established under an Act of Parliament or a State legislature; or
- (d) Any 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.

9. Engagement of implementation partners, who fulfill the above criteria and have excellent track record for implementing similar projects may also be done on nomination basis.

REGISTRATION OF ENTITIES FOR UNDERTAKING CSR ACTIVITIES:

10. Every entity who intends to undertake any CSR activity on behalf of the Company is required to register itself with the Central Government by filing the form CSR-1 electronically with the Registrar of the Companies w.e.f. 01 April 2021, as notified vide G.S.R. 40(E) dated 22 Jan 2021 by Ministry of Corporate Affairs or as per subsequent amendments, if any.

11. GRSE may collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes.

PROCEDURE

12. The CSR Committee shall formulate and recommend to the Board, an annual action plan which shall include the following:

- (a) List of CSR projects or programmes to be undertaken as specified in Schedule VII of the Companies Act and as per Guidelines / Directives issued by the Government from time to time.
- (b) Manner of execution of such projects or programmes as specified in para 6 and 7 of this Policy.

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- (c) The modalities of utilization of funds and implementation schedules for the projects or programmes.
- (d) Monitoring and reporting mechanism for the projects or programmes.
- (e) Details of impact assessment, if any,
- (f) All CSR projects will be monitored at the level of Director (Personnel) on as required basis who will report the developments to C&MD from time to time.

13. **CSR BUDGET AND EXPENDITURE**

- (a) The annual action plan recommended by the CSR Board Level Committee shall be approved by the Board of Directors who shall ensure that at least 2% of the average net profit made by the Company during the 3 immediately preceding financial years is utilized for CSR projects / activities in every financial year. Average net profit means the net profit as per the financial statement prepared in accordance with the applicable provisions of the Companies Act 2013.
- (b) The budget allocated for CSR project / activities planned for each financial year is expected to be spent within that year.

ADMINISTRATIVE OVERHEADS

14. Administrative overheads shall not exceed five percent of total CSR expenditure for the financial year. However expenses incurred directly for the designing, implementing, monitoring and evaluation of a particular CSR project shall not be considered as administrative overheads.

15. **UNSPENT CSR ACCOUNT**

- (a) An 'Unspent CSR Account (UCSRA)' shall be opened by the Company in any scheduled bank called Unspent Corporate Social Responsibility Account (UCSRA). Any surplus arising out of the CSR activities shall not form part of the business profit and shall be ploughed back into the same project or shall be transferred to the UCSRA.
- (b) Unspent amount relating to ongoing projects may be transferred within a period of 30 days from the end of financial year to the UCSRA. Such amount may be spent within 03 financial years from the date of such transfer.

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(c) Unspent amount not relating to ongoing projects may be transferred to any of the funds specified in schedule VII viz Swachh Bharat Kosh, Clean Ganga Fund, PM CARES Fund etc. within a period of 06 months from the end of the financial year.

SET OFF

16. If the CSR expenditure of any year exceeds 2% of average net profit of the three immediate preceding financial years, such excess amount may be set off against the requirement to spend for CSR activities/ projects up to immediate succeeding three financial years subject to the following conditions:

(a) Excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, as per sub-rule (2) of the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 notified by Ministry of Corporate Affairs.

(b) Utilization of Set Off amount may be approved by the Board of Directors.

CREATION OR ACQUISITION OF A CAPITAL ASSET

17. Capital asset created or acquired by using CSR fund shall be held by the following:

(a) Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number ; or

(b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) A public authority

CSR REPORTING

18. All CSR projects implemented during the financial year shall be covered in the Annual Report. The details of such reporting will be as specified in Annexure I or Annexure II, as applicable, as per the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 notified by Ministry of Corporate Affairs or any other Guidelines / Directives issued by the Government from time to time.

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19. **IMPACT ASSESSMENT STUDY**

(a) If the Company has average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, impact assessment shall be undertaken, through an independent agency, for those CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact assessment study.

(b) The impact assessment reports shall be placed before the Board of Directors and shall be annexed to the Annual Report on CSR.

(c) The expenditure towards undertaking impact assessment study for a financial year shall not exceed five percent of the total CSR expenditure earmarked for administrative overheads for that financial year or Rupees Fifty Lakh, whichever is less.

DISPLAY OF CSR ACTIVITIES IN THE WEBSITE

20. The composition of the CSR Committee, the CSR Policy and CSR projects approved by the Board of Directors shall be displayed in the Company website.

BASELINE SURVEY

21. Towards identification of social needs / projects / activities to be undertaken, if considered necessary by the Board Level CSR Committee, GRSE may engage any professional agency for undertaking baseline / need assessment survey in any of the project areas / locations.

PROMOTIONAL ACTIVITIES

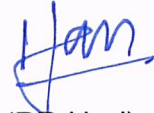
22. GRSE may undertake promotional activities of a particular CSR project and the expenses may be incurred from the budget allocated for the said project.

AMENDMENTS

23. If the terms of the policy differ from any existing or newly enacted law, rule, guidelines, directive, regulations or standard governing the Company, the law, rules, regulations, directives, guidelines issued by the Government will take precedence over this policy until such time this policy is changed to conform to that law, rule, regulations, standard etc.

CONCLUSION

24. The Company is committed to enrich and enhance quality of life of people by creating sustainable economies and by finding environment friendly solutions to local problems.



(PR Hari)
Cmde, IN (Retd.)
Director (Personnel)



Encl: - Annexure I & II for CSR reporting

ANNEXURE- I

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES
TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR Policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR expenditure (two per cent. of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year.
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub- heads: (1) Direct expenditure on projects or programs. (2)Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1							
2							
3							
	TOTAL						

* Give details of implementing agency:

6. In case the company has failed to spend the two per cent. of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in the Board report.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- (Person specified under clause (d) of sub-section (1) of section 380 of the Act) (wherever applicable)
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FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.
2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1			
2			
3			
	TOTAL		

6. Average net profit of the company as per section 135(5).
7. (a) Two percent of average net profit of the company as per section 135(5)
 - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
 - (c) Amount required to be set off for the financial year, if any
 - (d) Total CSR obligation for the financial year (7a+7b- 7c).
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1												
2												
3												
	TOTAL											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation on - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	TOTAL								

- (d) Amount spent in Administrative Overheads
(e) Amount spent on Impact Assessment, if applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed /Ongoing.
1.								
2.								
3.								
	TOTAL							

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/ (Chief Executive Officer or Managing Director or Director).	Sd/ (Chairman CSR Committee).	Sd/ [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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