



GNR SOLUTION PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

CSR POLICY AS APPROVED BY THE BOARD OF DIRECTOR OF “GNR SOLUTION PRIVATE LIMITED” ON 16TH OCTOBER 2023:

PERFACE:

In terms of the provisions of Section 135 of the Companies Act, 2013 (the Act) and The Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules), GNR Solution Private Limited (the Company) is required to frame a Corporate Social Responsibility Policy (CSR Policy). Accordingly, the Board of Directors (the Board) of the Company has approved and adopted this, Policy.

INTRODUCTION AND PURPOSE:

Corporate Social Responsibility (CSR) has evolved during last few decades from simple philanthropic activities to integrating the interest of the business with that of the communities in which it operates. By exhibiting socially, environmentally and ethically responsible behaviour in governance of its operations, the business can generate value and long-term sustainability for itself while making positive contribution to the betterment of the society.

The purpose of GNR Solution Private Limited Corporate Social Responsibility (CSR) Policy is to devise an appropriate strategy and focus for its CSR initiatives and lay down the broad principles on the basis of which it will fulfil its CSR objectives. This Policy is a guideline for Company’s CSR activities intended to make stronger communities and enrich the lives of underprivileged people on a variety of socially desirable activities with a view to enable high impact of and ensure measurable outcomes of the funds deployed towards such activities and also support environment sustainability.

This policy shall apply to all CSR initiatives and activities taken up preferably in the vicinity where the Company carries out its business operations and for the benefit of different segments of the society.

CSR OBJECTIVES AND PROJECTS:

1. CSR activities shall be undertaken by the Company in adherence with this CSR Policy.

2. The Company shall undertake CSR activities as recommended by CSR Committee and as approved by the Board from time to time in any one or more of the areas specified in Schedule VII (as amended from time to time) of the Act.
3. The Company shall give preferences to the local areas and areas around it where it operates, for undertaking / implementing / executing for CSR Activities.
4. CSR activities shall be undertaken only in India.

LIST OF ACTIVITIES FOR CSR WORK SPENDING:

1. The following is the list of CSR Projects or programmes which the Company, on selective basis, plans to undertake in the phased manner as project or one-time activities pursuant to Schedule VII of the Companies Act, 2013:
 - 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 set-up 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 art 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 govt. for socio economic development and relief and welfare of the schedule caste, 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;
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.
 - xiii. Any other CSR activities as may be notified by the Government from time to time.
2. The activities mentioned above are to be interpreted liberally so as to capture the essence of the same. The initiatives by the Company in the above fields will include contribution to various projects and programs undertaken in these areas.
 3. The Company shall give preference to local area and areas around the Company where it operates for spending the amount earmarked for CSR.
 4. The activities which are for the benefit of the employees of the Company or their family members shall not be considered as CSR activity. CSR activities shall also not include the activities undertaken in pursuance of normal course of business of the Company.

5. The Board of Directors of the Company may decide to undertake CSR activities as recommended by the CSR Committee by itself or through a registered Trust(s) or registered Society(ies) or a Section 8 Company(ies) or such other entity(ies) as may be eligible for undertaking CSR activities, pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Constitution of CSR Committee:

Since the amount to be spent by a company under section 135 (5) does not exceed Rupees fifty lakh, the requirement of the formation of the Corporate Social Responsibility Committee is not applicable to the Company and hence no CSR Committee has been formed by the Company. The functions of CSR Committee that has been provided under section 135 of the Companies Act, 2013 are discharged by the Board of Directors of the Company. However, as and when the provisions of CSR Committee formation become applicable to the Company, the CSR Committee shall be formed consisting of such number of members as specified in the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder.

Role of CSR Committee:

The role and responsibility of the CSR Committee will be as under:

- i. 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;
- ii. to recommend the amount of expenditure to be incurred on various CSR activities in a financial year;
- iii. to monitor the Corporate Social Responsibility Policy of the Company from time to time.
- iv. to recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities.
- v. to formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy.
- vi. to recommend the Board to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect.
- vii. to decide on any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.
- viii. to perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

The above-mentioned functions of CSR Committee shall be discharged by the Board of Directors of the Company till the CSR Committee is formed under the provisions of Section 135 of the Companies Act, 2013 and rules framed there under.

Role of Board of Directors:

The Board of Directors of the Company shall be responsible/ authorised for:

- i. Approving the CSR policy after taking into account the recommendations of the CSR Committee.
- ii. Ensuring that in each financial year the Company spends at least 2% of the average net profit made during the three immediately preceding financial years and that administrative overhead, if any, shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- iii. Considering and approving the annual action plan recommended by the CSR Committee and may alter such plan at any time during the financial year, based on the reasonable justification to that effect.
- iv. Ensuring that the funds so disbursed have been utilised for the purposes and in manner as approved by it.
- v. Monitoring the implementation of the ongoing projects with reference to the approved timeliness and year-wise allocation and may make modification, if any, required for the smooth implementation of the project within overall permissible time period.
- vi. Disclosure in the Boards' Report, such particulars as mentioned in the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- vii. Disclosure of the composition of the CSR Committee, CSR Policy and the approved projects on the Company's website, if any.
- viii. Changing duration of project(s) which was initially not approved as multiyear (ongoing) project(s) and whose duration has been extended beyond one year on reasonable justification.

CSR Expenditure

- i. For every financial year, minimum CSR spending of the Company shall be as per the provisions of section 135 of the Act read with CSR Rules including all modifications and amendment thereof.
- ii. The Board shall ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.
- iii. Any surplus arising out of the CSR activities shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
- iv. Where a Company spends an amount in excess of requirement, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- (a) the excess amount available for set off shall not include the surplus arising out of the CSR activities.
- (b) the Board of the company shall pass a resolution to that effect.
- v. The CSR amount may be spent by a Company for creation or acquisition of a capital asset, which shall be held by -
 - (a) 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:

IMPLEMENTATION OF CSR PROJECTS:

The Company shall implement the identified CSR projects by one or more of the following manners: -

- i. The CSR projects will be implemented in a time bound manner with clear objects, plan, targets and robust monitoring and evaluation mechanism.
- ii. The Company shall not undertake such activities which are in normal course of business as CSR activities.
- iii. The Board of the Company may decide to undertake its CSR activities as recommended by the CSR Committee through:
 - (a) 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
 - (b) 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; or
 - (c) any entity established under an Act of Parliament or a State legislature; or
 - (d) 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.
- iv. Every entity, covered under point no. iii of Implementation of CSR Projects, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the Form CSR-1 electronically with the Registrar of Companies.
- v. The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
- vi. The Company may use services of expert agencies, consultancy firms etc. wherever required for carrying out baseline surveys, guidance on project design and implementation, third party monitoring and evaluations, impact assessment surveys etc.
- vii. The Company may also 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 in accordance with these rules.

MONITORING AND IMPLEMENTATION:

1. To ensure effective implementation of the CSR activities/ programs/projects undertaken, a monitoring mechanism will be put in place. If pursuant to Section 135 of the Companies Act, 2013 the average CSR obligation is ten crore or more in the three immediately preceding financial years, then Company shall undertake impact assessment, through an independent agency, for their CSR projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the impact study.
2. Collaborative partnership may be formed with the Government, the district authorities, the Village Panchayats, NGOs, other Companies and other likeminded stakeholders with the intent to widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring on the table.
3. In respect of the contributions made to various Societies/Trusts for the CSR activities, the Company will obtain commitment from the Trusts/Societies that it shall utilize its funds solely for the projects/activities identified. The Company shall have the right to ask the said Trusts/Societies to provide requisite details to show that the contribution made by the Company have been spent on the earmarked projects.
4. The CSR activities of the Company will be included in the Directors' report as prescribed in Section 135 of the Companies Act, 2013 and the Rules made there under.
5. A copy of the CSR Policy and CSR Projects approved by the Board will also be placed on the Company's website, once the same is operational.

BUDGET AND FUND ALLOCATION:

1. A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.
2. The CSR Committee shall prepare a CSR Budget which may include:
 - a. Identified CSR Projects;
 - b. CSR expenditure;
 - c. Implementation Schedules.
3. Total expenditure in the CSR Budget shall be approved by the Board upon recommendation of the CSR Committee.

4. Any amount remaining unspent under Section 135(5) of the Act, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
5. Any amount remaining unspent under Section 135(5) of the Act, pursuant to other than ongoing project, shall be transferred by the Company to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year and the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the Act, specify the reasons for not spending the amount.
6. If the Company spends an amount in excess of the requirements provided under Section 135(5) of the Act, the Company may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed under the Act and CSR Rules, as amended from time to time.

IMPACT ASSESSMENT:

1. If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
2. The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.
3. Impact assessment, if applicable, may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.
4. Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the CSR Annual Action Plan.

REVIEW:

The CSR Committee will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

GENERAL:

1. Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This CSR Policy shall also be subject to such clarifications and FAQs as may be issued by Ministry of Corporate Affairs from time to time.
2. In case of any doubt with regard to any provision in the Policy and also in respect of matters not covered herein, a reference will be made to CSR Committee and the interpretation and decision of the CSR Committee shall be final.
3. The CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time. The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy.
4. In case of any subsequent changes in the provisions of the Act which makes any of the provisions in this Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act.
5. In the event of any conflict between the provisions of this CSR Policy and the Act or the CSR Rules or any other statutory enactments or rules, the provisions of the Act or CSR Rules shall prevail over this CSR Policy and the part(s) so repugnant shall be deemed to be severed from CSR Policy and rest of CSR Policy shall remain in force provided that any amendment / modification in the Act or CSR Rules shall automatically apply to this CSR Policy.

Date of Original adoption / Revision	Effective date of the Policy
16 th October 2023 – Original Adoption	16 th October 2023

