



GENERIC ENGINEERING CONSTRUCTION AND PROJECTS LIMITED

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

1. INTRODUCTION

Generic Engineering Construction and Projects Limited (“GECPL” or Company’) is a responsible corporate citizen and values the resources it utilizes. The Company believes that a business can serve the society in a way that enhances the quality of life and promotes sustainable growth and inclusive development. To this end, the Company is committed to various social causes which demonstrate its strong social values and deep rooted sense of service.

2. DEFINITION

- a) “Agency” shall mean implementing agency as defined in The Companies (Corporate Social Responsibility Policy) Rules, 2014 and para 7 of this policy.
- b) “Act” shall mean the Companies Act 2013 as amended time to time
- c) “Board” or “Board of Directors” shall mean the Board of Directors of the Company.
- d) “Committee” shall mean the Corporate Social Responsibility Committee of the Company as constituted or reconstituted by the Board.
- e) “Company” shall mean Generic Engineering Construction and Projects Limited.
- f) “CSR Expenditure” shall mean the amount spent or to be spend by the Company to discharge the CSR obligation.
- g) “CSR Framework” shall mean the provisions as prescribed under Section 135 of the Companies Act 2013, The Companies (Corporate Social Responsibility Policy) Rules, 2014 and any other Act or rules as may be applicable in this regards.
- h) “CSR Obligation” shall mean minimum amount liable to be spend by the Company in accordance with the provisions of Section 135(5) of the Act.
- i) “CSR Project” shall mean as activities undertaken by the Company under this policy and defined as per the provisions of Section 135 of the Companies Act 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014
- j) “Policy” shall mean the Policy on Corporate Social Responsibility as approved and amended by the Board.
- k) “Rules” shall mean The Companies (Corporate Social Responsibility Policy) Rules, 2014.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014 shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. Applicability

This policy shall be a set of guiding principles and applies to the activities proposed to be undertaken by the Company for the fulfillment of its obligation pursuant to the provisions Section 135 of the Act and rules made thereunder.

The Policy is effective from (date) henceforth.

4. Objectives of the Policy

The policy lays down the guidelines for the Company to streamline CSR activities, which are directed towards positively contributing to society through various sustainable and social welfare initiatives. The Policy shall be governed by the CSR framework and strive to undertake activities towards the following social causes:

- a. 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;
 - b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
 - c. 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;
 - d. 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;
 - e. Setting up public libraries; promotion and development of traditional art and handicrafts;
 - f. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
 - g. 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;
 - h. Disaster management, including relief, rehabilitation and reconstruction activities.
 - i. Any other activity as may be allowed under the Schedule VII of the Companies Act 2013.
5. CSR Expenditure

The Board shall ensure that the company spends such minimum amount as required under Section 135(5) of the Act in accordance with the Annual Action Plan as approved and amended if any, by the Board or shall transfer the unspent amount, if any to the funds specified in Schedule VII of the Act.

The Company may discharge its CSR obligation by spending the required amount for creating or acquiring 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 under sub-rule (2) of rule 4; or
- b. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or c. A public authority; or

d. Any other entity as may be specified in CSR framework.

The Company may indulge its employees or of agency for capabilities building, the expenditure on which shall not be more than 5% of the CSR expenditure of the Company in one financial year. The said amount shall be considered as CSR expenditure.

The Company may book the expenditure incurred on impact assessment, if undertaken to CSR expenditure for that year (i.e. year in which impact assessment undertaken) which shall not exceed higher of 2% of the Total CSR expenditure or fifty lakhs rupees.

The Company may spend the amount in excess of the required minimum amount in accordance with the approved annual action plan. Wherein the company has spent any amount in excess of the required minimum amount, it can claim set-off of such excess spent amount against the amount required to be spent in immediate succeeding three financial years in accordance with CSR framework.

Any surplus or income generated out of the activities undertaken pursuant to CSR project shall not form part of the income or profit of the business and such surplus/income be ploughed back to the concurrent CSR project or be transferred to the funds specified in Schedule VII of the Act.

6. Annual Action Plan

The Committee shall formulate and recommend to board an Annual Action plan outlining the proposed CSR project, its implementation and more specifically:

- a. the list of CSR projects that are proposed to be undertaken in areas or subjects specified in the Policy; b. the manner of execution of such projects;
- c. the modalities of utilisation of funds and implementation schedules for the projects;
- d. monitoring and reporting mechanism for the projects; and
- e. details of need and impact assessment, if any, for the projects undertaken by the company:

The Annual Action plan shall be reviewed and approved by the Board.

Board may alter such approved annual action plan during the financial year as per the recommendation of the committee based on reasonable justification.

Annual Action Plan shall disclose whether the CSR project is One-time project or an Ongoing project and may specify the timelines/benchmarks of the project, if any.

The Company may undertake multiple CSR projects in any financial year and shall report each project separately.

The Board may convert a One-time project into an ongoing project during the financial year based on reasonable justification by passing a resolution to this effect.

Company may collaborate with other companies for undertaking CSR Project unless it is able to report the expenditure and other compliances separately.

7. Implementation and Modalities

The Company may under CSR project by itself or through following Implementing Agencies:-

- a. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company shall undertake CSR project through only those agencies which has registered and obtained Unique CSR Registration number.

The Committee shall obtain all the necessary documents for verifying the eligibility and desirability of the agencies for the proposed projects.

The Company may engage multiple agencies for the CSR project/s subject to the separate reporting for each of such agencies.

8. Monitoring, Reporting and Assessment

The Committee may design a transparent monitoring mechanism depending upon the nature and need of the project for effective monitoring. The Committee may set timelines and benchmark to monitor the implementation of projects on the basis of set timelines and benchmark and may seek execution or implementation report from the agency or any other person involved in CSR implementation.

The Committee shall obtain utilization certificate from the agency certifying that the funds so disbursed have been utilized in the manner as provided in the approved Annual Action plan.

The Chief Financial officer or any other person so authorized shall certify the utilization of the disbursed amount and the said certificate shall be reviewed by the Board.

The Committee may appoint any external entity/representatives to monitor the implementation of the CSR Project by field visits or seeking necessary documents from agency and may seek reports in regular interval as it may deems necessary for monitoring and ensuring the effective implementation.

Board's Report shall include disclosure on CSR activities as required under the Act and Annual Report on CSR as specified in the rules shall be attached to the Board's Report and same shall be reviewed by the Board.

The Policy, composition of CSR committee and approved CSR projects shall be placed on the website of the Company.

The Company shall undertake Impact Assessment if the average CSR obligation in preceding 3 years is ten crores or more for all the projects wherein outlay is one crore or more and which have completed not less than one year before undertaking said assessment as provided under the rules and as may be amended from time to time.

The Company shall appoint independent agency for undertaking Impact assessment on the recommendation of the Committee and the committee shall seek such documents from the independent agency as may be deemed necessary.

The report on impact assessment shall be placed before the Board for its review and shall be attached to the Annual report on CSR.

9. Administration

- a. The Company will constitute a CSR Committee comprising of minimum number of directors as provided in Act read with rules made thereunder.
- b. The CSR Committee shall operate under the supervision/guidance/ superintendence of the Board of Directors.
- c. The CSR Committee will be responsible for formulation of the CSR policy and its review from time to time and also for monitoring that the CSR activities of the Company are implemented in line with the CSR regulations.
- d. The Committee will meet as and when required to measure the CSR progress and to review and evaluate the sustainability agenda, suggest modifications and discuss and recommend annual action plan to take the CSR activities forward.
- e. CSR Committee will monitor the spend on CSR activities by the Company as well as ensure that the Company spends at least the minimum sum as may be prescribed from time to time pursuant to 2013 Act and Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time (CSR Policy Rules) or such higher sum as may be decided by the Board of Directors of the Company.

- f. The Annual Action Plan shall be approved by the Board.

- g. Where the CSR obligation for any financial year does not exceeds fifty lakh rupees, the Board of Directors shall assume all the functions, rights, powers and responsibilities of the Committee and shall discharge the same accordingly.

