



CORPORATE SOCIAL RESPONSIBILITY POLICY **OF GRAVITA INDIA LIMITED**

Concept

Corporate Social Responsibility (CSR) has been making holistic and meaningful contributions to the society in many life-touching areas, for decades now. CSR initiatives and activities at Gravita Group extend well beyond its core business objectives, and the organization's commitment and concerns for the society are evident from the various initiatives it has taken in different fields in such short period.

The CSR objectives of Gravita India Limited (herein after 'Gravita' or 'Company') further gets reiterated through the company's vision statement that "All our businesses are targeted at maintaining the highest level of environmental integrity. We firmly believe that eco-friendly business practices are the key to prevention and protection of our natural resources."

Measures already taken by Gravita

At Gravita, CSR key areas of focus are Health, Education & Environment.

Gravita is a responsible global Lead manufacturer. The company's responsibility towards the environment is reflected in its primary business objective of recycling Lead products, which save energy and in turn, helps conserve finite mining resources.

Offering proper access to medical and other essential healthcare facilities including free medicines across its operation facilities is an important aspect of Gravita's social initiatives.

Realizing the importance and relevance of education, the Company has adopted a School in Phagi near its plant. Gravita is supporting the children of this school with books, stationery, bags, drinking water bottles and sports kit etc coupled with providing Computers in the Computer Lab of this School. The children are provided with regular medical check-ups as well on regular intervals as mutually decided with school management.

The company is equally concerned about the environment and has taken many initiatives in this direction like planting of large number of trees, using environment friendly technologies, adopting beautification drive of public parks in Jaipur.

The other measures that Gravita India Limited has already taken for the benefit and sustainable development of environment and contribution to the society include blood donation camp & health check-ups, donation to SOS foundation & Akshaya Patra Foundation,

motivational seminars for employees and sports activities for enhancing social bonding between the employees and their families, Training & Development of employees and promotion of education of the wards of employees through Education policy of the Company.

Title, Scope and Objective of the Policy

This Policy shall be called the “Corporate Social Responsibility Policy” or “CSR Policy” of the Company which is developed and implemented in accordance with the provisions of Section 135 of the Act read with the CSR Rules framed thereunder. The Policy will outline the Company’s philosophy and responsibility and lays down the guidelines and mechanism for undertaking socially impactful programs towards welfare and sustainable development of the community around the area of its operations and other parts of the country. The Policy shall be applicable to all CSR Activities taken up by the Company at various locations in India for the benefit of different segment of the society at large, specifically the deprived and underprivileged segment.

1. Definitions:

- 1.1 “Act”** means the Companies Act, 2013;
- 1.2 “Board”** means Board of Directors of the company;
- 1.3 “Company”** means Gravita India Limited;
- 1.4 “CSR Activities”** means such activities, projects or programmes undertaken by the Company in pursuance of its statutory obligation under Section 135 of the Act and in accordance with this Policy, the CSR Rules and Schedule VII to the Act, as amended from time to time, but shall not include activities which are specifically excluded from the scope of CSR under the CSR Rules.
- 1.5 “CSR Expenditure Budgeted”** means the amount recommended by the CSR Committee and approved by the Board from time to time, to be incurred on the CSR Activities in India in a financial year in terms of Section 135 of the Companies Act, 2013 (Act) and the rules framed thereunder. CSR expenditure will include all expenditure incurred by the Company on CSR Programmes undertaken in accordance with the approved Annual Action Plan.
- 1.6 “CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

1.7 “Annual Action Plan” shall include the list of CSR projects or programmes approved to be undertaken in areas or subjects specified in Schedule VII to the Act, the manner of execution of such projects or programmes, the modalities of utilisation of CSR funds and implementation schedules for the projects or programmes, the monitoring and reporting mechanism for such projects or programmes and details of need and impact assessment, if any, for the projects undertaken by the Company. The CSR Committee shall recommend the Annual Action Plan to the Board. In case of any alteration in the Annual Action Plan during the financial year, the Board may alter such plan in accordance with the applicable provisions of the Act and the CSR Rules, based on the recommendation of the CSR Committee and reasonable justification.

1.8 “Ongoing Projects” means a multi-year project undertaken by a Company in fulfillment 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 by the board based on reasonable justification;

Any term used but not defined in this CSR Policy shall have the meaning assigned to it under the Act or the CSR Rules.

2. Corporate Social Responsibility Committee:

2.1 Formation:

- a) The Board shall constitute a Corporate Social Responsibility Committee consisting of such number of directors as may be required under Section 135 of the Act and the CSR Rules, as amended from time to time. Provided that where the amount required to be spent by the Company under Section 135(5) does not exceed ₹50 lakh, the requirement for constitution of the CSR Committee shall not be applicable and the functions of the CSR Committee shall be discharged by the Board of Directors in accordance with Section 135(9) of the Act;
- b) The Committee can call any further invitees who are expert in the field of CSR Activities or are involved in implementing the CSR policy of the Company;
- c) CSR initiatives of the Company must be aligned with business strategy and CSR strategy must clearly define objective, milestones;
- d) The Secretary to the Board shall act as Secretary to the Committee.

2.2 Terms of reference: The Terms of reference of the Committee shall include the following:

- Formulate and recommend to the Board, the Corporate Social Responsibility policy of the company which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure that can be incurred for CSR;
- Monitor the Corporate Social Responsibility Policy of the company from time to time;
- formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-
 - The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - The manner of execution of such projects or programmes;
 - The modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - The monitoring and reporting mechanism for the projects or programmes; and
 - Details of need and impact assessment, if any, for the projects undertaken by the company.;
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programs / activities proposed to be undertaken by the Company;
- To ensure that all kind of income/surplus accrued to the Company by way of CSR activities should be credited back to the community or CSR corpus and shall not form part of the business profit of a company.

2.3 Meetings of the Committee:

- a) A meeting of the Committee may be called by its Chairman or any member as and when required to review policies, discuss the budget and strategy, review project progress and set the direction for the time. Minutes of its meetings will be approved by the Committee and signed by the Chairman of the same meeting or if the same is not available then by the Chairman of the next Committee meeting.

- b) The minutes of the Committee shall be placed at the Board Meeting held next after the Committee meeting.
- c) Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee.

2.4 Representation before Shareholders:

The Chairman of the Corporate Social Responsibility Committee shall be available to answer questions regarding the Corporate Social Responsibility Committee's activities at the Annual General Meeting of Shareholders.

3. Powers of Board:

The Board shall after taking into account the recommendations made by CSR Committee:

- a) Approve the CSR policy for the company and disclose contents of such policy in its report and also place it on the Company's website;
- b) Ensure that the activities as are included in CSR policy of the company are undertaken by the Company;
- c) Ensure that the company spend in every financial year such amount/s as is required to be spent under the extant provisions of Companies Act 2013 read with Rules and Regulations for the same;
- d) If the company fails to spend such amount, the Board shall in its report specify the reason for not spending the requisite amount;
- e) The Board may at all times amend this Policy and/or revoke any powers granted by it to the Corporate Social Responsibility Committee, if the substance of the Committee for which it was formed is not happening the way it should, as required under law.
- f) The Board shall satisfy itself that the CSR funds so disbursed have been utilised for the purposes and in the manner approved by it and the Chief Financial Officer or the person responsible for financial management shall certify the same, in accordance with the applicable provisions of the CSR Rules.

4. Scope of Activities :

The Company shall undertake such CSR activities as recommended by the CSR Committee and approved by the Board from time to time pursuant to Schedule VII and Section 135 of the Act read with CSR Rules framed thereunder.

The CSR Activities may include, inter alia, the following activities specified in Schedule VII to the Act, as amended from time to time:

- Eradicating hunger, poverty and malnutrition, promoting 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;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- 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;
- 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;
- 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;
- training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- 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 Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;

- 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
- 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).
- rural development projects
- 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.
- disaster management, including relief, rehabilitation and reconstruction activities.
- Such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time.

The Projects / Programmes in the aforementioned Identified Areas would be of a continual nature requiring long-term commitment from the Company for which fixed implementation schedules cannot be specified.

The Projects / Programmes may be undertaken by the Implementation Agency or the Company directly provided that such projects / programmes are in line with the activities enumerated in Schedule VII of the Companies Act, 2013.

The CSR Committee, while formulating the Annual Action Plan and recommending to the Board, will accord priority to projects in the specific areas of the Company as mentioned above. The CSR activities specified under this Policy would be undertaken only in India. While undertaking CSR activities, the Company shall give preference to the local area and

areas around which it operates, to the extent practicable, in accordance with Section 135(5) of the Act.

5. Other Provisions:

- a) The Company may undertake CSR activities itself or through eligible implementing agencies in accordance with the provisions of the Act and the CSR Rules, as amended from time to time. The Company may collaborate with other Gravita Affiliates, its subsidiaries or other eligible entities for implementation of CSR activities, subject to applicable law. The Company may also establish or collaborate with trusts, societies or Section 8 companies, wherever permissible under the CSR Rules, for undertaking CSR activities.
- b) The Company may build CSR capacities of their own personnel as well as their implementing agencies through institutions while complying with respective provisions and amendments, if any, under Companies Act, 2013.
- c) The CSR initiatives of the Company shall focus the areas surrounding its plant locations or where the Company has its offices;

6. CSR Expenditure Budgeted

- a) In the beginning of every financial year, the CSR Committee shall determine whether the provisions of Section 135 of the Act for mandatory CSR spend are applicable to the Company and accordingly, determine the CSR Expenditure Budgeted for the Financial Year and recommend the same for approval of the Board.
- b) CSR Expenditure Budgeted shall include expenditure incurred by the Company on CSR projects and programmes undertaken in accordance with the approved Annual Action Plan, this Policy, Section 135 of the Act and the CSR Rules:
 - i. 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with Section 135 of the Act.;
 - ii. Any income arising there from;
 - iii. Surplus arising out of CSR Activities; and

- iv. Such other amount as may be determined by the CSR Committee and Board from time to time.
- c) Any surplus arising out of CSR activities shall not form part of the business profits of the Company and shall be dealt with in accordance with Rule 7 of the CSR Rules, including utilisation for the same project, transfer to the Unspent CSR Account or transfer to a Fund specified in Schedule VII, as applicable.
- d) Any excess amount spent by the Company on CSR activities may be set off against the CSR obligation to be incurred in the immediately succeeding three financial years, in accordance with the conditions prescribed under the CSR Rules and subject to approval/resolution of the Board, as applicable.
- e) Unspent amount, if any, on the CSR Activities shall be dealt with in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder.
- f) The administrative overheads incurred by the Company in relation to CSR activities shall not exceed five percent of the total CSR expenditure of the Company for the financial year, or such other limit as may be prescribed under the CSR Rules from time to time.

7. CSR Initiatives:

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

8. Monitoring Process:

- a) The CSR Committee shall monitor all CSR Activities, including utilization of funds to ensure their effective implementation in accordance with Section 135 of the Act read with CSR Rules framed thereunder.
- b) The progress of CSR programmes under implementation will be reported to the CSR Committee.
- c) Broadly, the following procedure will be adopted by the CSR Committee for implementing and monitoring the CSR Activities:

i. The Annual Action Plan shall, inter alia, contain the following:

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act,
- the manner of execution of such projects or programmes,
- the modalities of utilisation of funds and implementation schedules for the projects or programmes,
- monitoring and reporting mechanism for the projects or programmes and
- Details of need and impact assessment, if any, for the projects undertaken by the company.

ii. Periodic review by CSR Committee and Board

d) The minutes of the meetings of the CSR Committee shall be placed before the Board.

e) The Company shall undertake impact assessment of CSR projects, wherever mandatory under the CSR Rules. The Company may also undertake impact assessment of other CSR projects on a voluntary basis, either on its own or through an independent agency/professional institution, as may be considered appropriate.

f) The CSR Committee may be directed by the Board to present the amount spent on CSR Activities annually and also the impact assessment thereof as appropriate.

9. Disclosure / Reporting:

The Company shall disclose the composition of the CSR Committee, the CSR Policy and the CSR projects approved by the Board on its website, if any, for public access, in accordance with the CSR Rules. The Company shall also include the prescribed annual report on CSR activities in its Board's Report and make such other disclosures as may be required under the Act and the CSR Rules.

10. Impact Assessment

if the Company is having average CSR obligation of Rs. 10 crores or more in pursuance of subsection (5) of section 135 of the Act, in the 3 immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs 1 crores or more, and which have been completed not less than 1 year before undertaking the impact study

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

The expenditure towards impact assessment may be booked towards CSR expenditure for that financial year and shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

11. Policy Review and Amendment:

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the Act and the CSR Rules framed thereunder. Any amendment to the Act, CSR Rules, Schedule VII or any applicable law, notification, circular or clarification issued by the competent authority relating to CSR shall, to the extent applicable, be read as forming part of this Policy and shall prevail over any inconsistent provision contained herein.