

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. OBJECTIVE

- 1.1. The main objective of this Corporate Social Responsibility Policy (the “**Policy**”) is to lay down guidelines for Guru Nanak Workshop Services Private Limited (“**Company**”) to make Corporate Social Responsibility (“**CSR**”) a key business process for sustainable development of the society.
- 1.2. In alignment with the above, the Company, through the CSR Activities, will conduct and initiate programs focusing on areas covered in the Policy so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.

2. TITLE, SCOPE AND APPLICABILITY

- 2.1. This Policy shall be called ‘**Guru Nanak Corporate Social Responsibility Policy**’. In accordance with Section 135 of the Companies Act, 2013 (“**Act**”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**Rules**”) made thereunder, the Board of Directors (“**Board**”) of the Company have adopted the following policy and procedures to engage with the social and ecological challenges that are faced by the communities in which the Company or its subsidiary companies (from time to time) operate.

3. DEFINITIONS

- 3.1. “**CSR Committee or Committee**” means Corporate Social Responsibility Committee of Board of Directors of the Company constituted under Section 135 of the Act.
- 3.2. “**Board**” means board of directors of the Company.

Words and expressions used and not defined in this Policy but defined in the Act and Rules made thereunder shall have the meanings respectively assigned to them in the Act.

4. KEY FOCUS AREAS

- 4.1. In accordance with the requirements under the Act, Company’s CSR activities, amongst others, will focus on:
 - a) Promoting preventive health services to under privileged children.
 - b) Such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time.
- 4.2. The Company will undertake the CSR activities approved by the CSR Committee, by itself or through a company, registered public trust, registered society or such other entity, in accordance with the Rules, which has registered itself with the Central Government by filing form CSR-1.

5. CSR IMPLEMENTATION

- 5.1. The Company's CSR programs will be identified and implemented according to the approved CSR policy. The Company will enhance its monitoring and evaluation mechanism so as to ensure that every program has:
- a) Clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and timelines;
 - b) A robust progress monitoring system;
 - c) Impact assessments;
 - d) A reporting framework and system in alignment with the Act and Rules; and
 - e) Annual action plan of its CSR activities to be undertaken over the course of the financial year.

6. MODE OF IMPLEMENTATION:

- 6.1. CSR program, project or activities, will be implemented through one or more of the following methods:
- a) Directly by the Company;
 - b) Registered Society, Trust or Company registered under Section 8 of the Act, with an established track record in carrying on activities in related areas;
 - c) In collaboration with other organizations;
 - d) Contribution permissible/covered under Schedule VII to the Act.

7. CSR BUDGET

- 7.1. The Board of Company shall ensure that in each financial year, the Company spends at least such amounts as stipulated under Section 135 of the Act and subsequent amendments notified from time to time, but may not be limited / restricted to the stipulated threshold, unless the Board has adequate reasons to defer the CSR spend.
- 7.2. The unutilized CSR budget, if any, will be parked in a CSR Fund (corpus) created by the company. This Fund would also include any income arising there from and any surplus arising out of CSR activities.
- 7.3. In case of any surplus arising out of CSR projects, the same shall not form part of the business profits of the Company.
- 7.4. The Company may collaborate or pool resources with other companies to undertake CSR activities.
- 7.5. The allocated CSR budget or corpus will be utilized for CSR Activities undertaken within India, which are not:
- (a) Exclusively for the benefit of employees of the Company or their family members or;
 - (b) Undertaken in pursuance of normal course of business of the Company.

8. CSR GOVERNANCE STRUCTURE:

- 8.1. The Board and the CSR committee shall be responsible for the CSR governance structure. The roles and responsibilities for each of these include the following:
- 8.2. The Board will be responsible for:
- (a) Approval of the CSR Policy.
 - (b) Disclosing the content of the Policy in its report and placing the Policy on the Company's website in such a manner as prescribed under Section 135 of the Act read with the Rules.
 - (c) Ensuring that the social projects identified by the Company in accordance with this Policy are undertaken by the Company.
 - (d) Ensuring that the Company spends, in every financial year, such amount as stipulated under Section 135 of the Act (and amendments thereto) in pursuance of the Policy.
 - (e) Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.
 - (f) Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.

CSR Committee

- i. The CSR Committee has been constituted by the Company's Board. The members of the Committee are as follows:

Sr. No.	Name of Director	Designation
1.	Guru Charan Singh Matharu	Director
2.	Harbhajan Singh Matharu	Director

- ii. The Board shall have the power to make any change(s) in the constitution of the Committee.
- iii. The CSR Committee shall be responsible for:
- (a) Formulating and recommending the CSR Policy to the Board for approval. The Committee shall indicate the projects to be undertaken by the Company in accordance with the Policy and Schedule VII of the Act.
 - (b) Monitoring the policy from time to time and recommending changes to the Board.
 - (c) Ratifying/Recommending the amount of expenditure incurred/ to be incurred on CSR projects.
 - (d) Instituting a transparent monitoring mechanism.

9. REPORTING AND DISCLOSURES

9.1. The following regulatory disclosure requirements need to be complied with in relation to CSR activities of the Company:

- a) Composition of the CSR Committee shall be disclosed in the Board report;
- b) The Board's report shall include an annual report on CSR activities in the format prescribed by the Ministry of Corporate Affairs containing specified particulars i.e. brief outline of CSR Policy, its contents, the average net profit for the last 3 (three) financial years and the prescribed CSR expenditures, etc;
- c) If the company fails to spend the prescribed amount, the Board shall, in its report specify the reasons for not spending the amount;
- d) The content of the Policy shall be displayed on the Company's website.

10. MONITORING FRAMEWORK

10.1. Project monitoring — The Company will institute a monitoring and evaluation mechanism to ensure that each social project has:

- a) Clear objectives developed out of the societal needs that are determined through baseline studies and research;
- b) Clear targets, timelines and measurable parameters wherever possible;
- c) A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Act and the Rules.

10.2. The CSR progress will be monitored and reviewed periodically through a 2 (two) tier structure comprising of:

- a) CSR Committee of the Board; and
- b) CSR support team (as may be constituted by the CSR Committee).

10.3. The CSR progress monitoring authorities and the frequency of review is given below:

Sr. No.	Monitoring Authority	Frequency
1	Board of Directors	Annual
2	CSR Committee	Annual

10.4. Budget monitoring — The Company will establish an accounting system to ensure project-wise accounting of CSR Spend.

11. EFFECTIVE DATE OF THE POLICY

This Policy will come into effect from the date of approval of the same by the Board of the Company.

12. MANAGEMENT COMMITMENT

The Company's Board, management and employees subscribe to the philosophy of compassionate care. The Company believes and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. That is the cornerstone of the Company's CSR policy.

13. AMENDMENT

The CSR Committee is empowered to amend or modify the CSR Policy, and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable law, at any time, approve, alter, amend or modify the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities. The CSR Committee and the Board may also modify or replace the CSR activities contemplated herein with activities permitted under applicable law.