

CSR POLICY

1. PREFACE

Corporate Social Responsibility (CSR) is the way and mean through which corporates can fulfil their obligations towards the society. Corporate Social Responsibility is strongly connected with the principles of sustainability.

CSR is not a charity or mere donation; it is ethical behaviour of a Company towards society at large. Organization should make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Goel Construction Company Limited ("the Company") to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

2. DEFINITIONS

"Act" means the Companies Act, 2013 and rules framed there under, amended from time to time.

"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.

"Board" means Board of Directors of Goel Construction Company Limited.

"CSR Policy" means a statement containing the approach and direction given by the board of a 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.

"CSR Rules" means Companies (Corporate Social Responsibility Policy) Rules, 2014 as notified by Ministry of Corporate Affairs and as amended from time to time.

"Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -

- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

"Ongoing Project" means a multi-year project undertaken by a 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 by the board based on reasonable justification.

“Unspent CSR Account” refers to an account opened as such by the Company in any Scheduled Bank to transfer the amount remaining unspent at the end of Financial Year which relates to an ongoing project.

3. APPLICABILITY

The provisions of Corporate Social Responsibility as per Section 135 of the Act shall be applicable to the Company when:

- Net worth is rupees five hundred crore or more, or
- Turnover is rupees one thousand crore or more or
- Net profit is rupees five crore or more during

the immediately preceding financial year.

4. OBJECTIVES

The key objectives of this CSR Policy are: -

- To embrace responsibility for the Company's actions and encourage a positive impact through its activities and contributions towards social and economic development of the communities in which we operate and building a better & sustainable way of life for the weaker sections of the society.
- To define governance structure for CSR management within the Company.
- To serve as a guiding document aiding in identification, execution and monitoring the CSR projects.
- To comply with the CSR provisions of the Companies Act, 2013 in true letter and spirit.

5. SCOPE OF CSR POLICY

This Policy applies to all CSR projects that will be undertaken by the “the Company” and shall fulfill all the requirements of Section 135 of the Companies Act, 2013. “The Company” shall ensure that all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act, 2013. This Policy will be periodically reviewed and updated in line with the relevant provisions and best practices that can be adopted by “the Company”.

6. AREAS TO EMPHASIZE

“The Company” may spend the CSR amount in the following activities mentioned in 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 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.

(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 recognized 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 organization (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) such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time.

7. UNDERTAKING CSR ACTIVITIES

"Goel Construction Company Limited" will undertake CSR activities directly as well as through Implementing agencies. As per the provisions of Rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014, Company can directly undertake the CSR activities or in the manner as prescribes under Rule 4 of CSR Rules.

8. CONSTITUTION OF THE CSR COMMITTEE

The Board of Directors of the Company has constituted a committee called the "Corporate Social Responsibility Committee" ("CSR Committee") in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India.

The terms of reference of the CSR committee shall be as per the applicable provisions of the Companies Act, 2013, as may be amended from time to time, including such functions as may be entrusted by the Board of Directors from time to time.

GOEL CONSTRUCTION COMPANY LIMITED

(FORMERLY KNOWN AS GOEL CONSTRUCTION CO. PVT. LTD.)

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9. CSR BUDGET

The total budget for the CSR projects in each financial year will be approved by the Board on the basis of recommendation of CSR Committee in accordance with applicable provisions of the Act and the CSR Rules. The Board shall determine to distribute the budget among the Area to Emphasize in such proportion and in a manner that meets the objectives of the CSR Policy.

10. FUND ALLOCATION

CSR Funds

The corpus for the purpose of carrying on the aforesaid activities would include the following:

- At least 2% of the average Net Profits of the Company made during the three immediately preceding financial years;
- Any surplus arising out of the CSR activities carried out by the Company and such surplus shall not form a part of the business profit of the Company.

CSR Expenditure

- **Administrative Overhead** -The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- **Surplus arising out of CSR Activities** - 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, within a period of six months of the expiry of the financial year.
- **Amount spent in excess of the required CSR expenditure** - Where a company spends an amount in excess of requirement, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any,
 - (ii) the Board of the company shall pass a resolution to that effect.
- **Creation or acquisition of a capital asset** - 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 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:

11. MONITORING

The CSR Committee monitor the implementation of proposed CSR programmes. CSR activities' progress shall be regularly reviewed by the Committee and/or Board.

The Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.

The Chief Financial Officer or the person responsible for financial management shall certify to the effect.

12. ANNUAL ACTION PLAN

The Board of Directors shall formulate an annual action plan in pursuance of its CSR policy, which shall include the following: -

- the list of approved CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
- the manner of execution of such projects or programmes as specified in the CSR Rules;
- the methods of funds utilization 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,

The Board may alter such plan at any time during the financial year based on reasonable justification to that effect.

13. ROLE AND FUNCTIONS OF THE BOARD

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with CSR Rules, the Board of the Company shall-

- (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) approve the amount of expenditure to be incurred on CSR Activities;
- (c) monitor the CSR Policy of the Company from time to time;
- (d) ensure that the activities as are included in CSR Policy are undertaken by the company.

14. DISQUALIFYING ACTIVITIES FOR CSR

Following shall be considered as disqualifying activities for CSR Expenditure: -

1. Any activities undertaken by the Company in pursuance of its normal course of business;
2. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
3. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
4. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
5. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
6. activities carried out for fulfilment of any other statutory obligations under any law in force in India;

15. DISCLOSURES:

This Policy and projects approved by the Board will be posted on the Company's website.

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail. This Policy will be reviewed by the Board, on as and when deemed necessary.