

GOPALPUR PORTS LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR)
POLICY

A. Corporate Social Responsibility (CSR) – Philosophy

Gopalpur Ports Limited (GPL), has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally. The Company has taken up various Corporate Social Responsibility (CSR) initiatives and enhanced value in the society.

With the advent of the Companies Act, 2013 constitution of Corporate Social Responsibility Committee of the Board and formulation of Corporate Social Responsibility policy became a mandatory requirement. Therefore, the Company has formulated a CSR policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare and sustainable development of the society.

B. CSR vision:

Improve quality of life for all our communities through integrated and sustainable Development.

C. CSR Committee:

Keeping in line with Section 135 of the Companies Act, 2013 and the rules thereunder (hereinafter referred to as the “Act”), the Board of Directors of the Company have constituted Sustainability and Corporate Social Responsibility Committee (hereinafter referred to as the “CSR Committee”), to inter alia, carry out the following functions:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
- b) To review from time to time Corporate Social Responsibility (CSR) policy in the light of emergent situation and statutory frame work;
- c) To recommend the amount of investment to be made on CSR activities;
- d) To monitor the implementation of CSR Policy and review overall performance in CSR Programmes;

D. Definitions:

In this policy, unless the context otherwise requires:

1. “Act” shall mean the Companies Act, 2013 and rules made thereunder, including any modifications, amendments, or re-enactments thereof.
2. “Agency” (or Agencies) means any Section 8 Company or a registered trust/ Society /NGO/ institution, performing social services for the benefit of society and excluding a registered trust/society / NGO/ institution/ Section 8

Company which is formed by the Company or its holding or subsidiary company/ companies.

3. "Board" shall mean the Board of Directors of the Company.
4. "CSR Annual Plan" shall mean the annual plan detailing the CSR expenditure for the year.
5. "CSR Committee" shall mean the Sustainability and Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more Directors, out of which at least one Director shall be an Independent Director.
6. "CSR Expenditure" means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR Committee, including following:
 - I. Contribution to CSR projects which shall be implemented and/or executed by the Company;
 - II. Any contributions covered in areas or subjects specified under Schedule VII to the Act.
7. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
8. "CSR Projects" or "Projects" means Corporate Social Responsibility Projects/ activities/ programs/ initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.
9. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
10. "Net Profit" shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.
11. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
12. "Thrust Areas" shall have the meaning as ascribed to them as per provisions of the Policy.

Words and expressions used and not defined in the policy shall have the same meanings respectively assigned to them in the Act and/ or Rules.

E. Thrust Areas:

While the Company is eligible to undertake any suitable/ rightful activity as specified in schedule VII to the Act, however, at present, it proposes to undertake the relevant activities on priority basis in the following three Thrust Areas:

- Education
- Community Health
- Environmental sustainability

F. Identification of CSR Projects:

1. CSR Projects need to be identified and planned for approval of the CSR committee, in particular in Thrust Areas, with estimated expenditure and phase wise implementation schedules.
2. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
3. As a cardinal principle, the CSR projects in Thrust Areas shall be identified on the basis of a detailed assessment survey.

G. Implementation of CSR Projects:

The CSR projects/ activities shall be implemented in three ways as below:

- a) Directly by Company
- b) Through NGOs/ Voluntary organization/ trusts
- c) Through concerned Government/ District authorities

Every project/ activities shall specify the implementation schedule indicating the start date, date of completion, likely benefits, etc.,

- a) Directly by Company by forming a foundation or Section 8 Company;
- b) Through NGOs/ Voluntary organizations/ trusts

1. The CSR projects which cannot be taken up by the Company directly because of its nature and other limitations shall be considered for implementation through reputed NGO/ Voluntary organizations/ trusts functioning in similar activities.

2. The NGOs/ Voluntary organizations shall be identified based on their credentials and long standing performance in respective fields. NGOs / Voluntary organizations with proven performance and tax exemption benefit shall be given preference. The minimum period of proven performance in the relevant field for NGO / Trust shall be atleast three years.

c) Through concern Government / District authorities

1. The CSR projects which cannot be taken up by the Company directly or through NGOs / Voluntary Organizations/ Trusts due to various reasons/ constraints, shall be carried out with the help of respective Government / District Authorities.
2. The Government/ District Authorities may also submit specific CSR proposals. In such cases, Company may release funds to the respective authorities for initiation and implementation, provided the schemes match within the ambit of the Act, schedule VII, CSR rules and Guidelines.

The Company may collaborate with other Companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the indirect method provided that the CSR Committees of respective companies are in position to monitor separately such projects.

H. Fund allocation and others:

a) Funds Allocation

1. The Company, in every Financial Year, shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned CSR Expenditure in any Financial Year shall be atleast 2% of Company's average Net Profits for the three immediately preceding Financial Years.
2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
 - Identified CSR Projects
 - CSR Expenditure
 - Implementation Schedules

3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee
4. In case the Company fails to spend the statutory minimum 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of Section 134 of the Act and unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under 135(5) for such number of succeeding financial years and in such manner, as may be prescribed under Companies Act, 2013 and applicable rules thereunder.

Any amount remaining unspent under sub-section (5), 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.

Section 135(7) of the Companies Act, 2013 prescribes for penalty on the Company and every officer of the Company on default in complying with provisions of Sections 135(5) and (6).

b) Others

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the projects

as per CSR objectives. However, there shall not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR projects on need basis.

I. Duties and responsibilities:

1. Board of Directors

The Board shall include in its report the annual report on CSR projects as per the format provided in the Annexure to the Rules.

2. CSR Committee

- i. The CSR Committee shall monitor the implementation of the CSR policy and CSR Plan. For this purpose, the CSR Committee shall meet atleast once a year.
- ii. In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- iii. The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting for Board review and finalization.

J. Review Periodicity and Amendment:

- i. CSR plan may be revised/ modified/ amended by the CSR Committee at such intervals as it may deem fit.
- ii. The CSR Committee shall review the policy every two years unless such revision is necessitated earlier.

Activities which may be included / undertaken by the Company as CSR specified in Schedule VII (Section 135)

1. 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;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. 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;
4. 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.
5. 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;
6. 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];
7. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
8. 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;
9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organization (DRDO), [Department of Biotechnology (DBT),

Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

10. Rural development projects;

11. 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.

12. Disaster management, including relief, rehabilitation and reconstruction activities.