



GALLANTT ISPAT LIMITED
(Formerly known as Gallantt Metal Limited)

**CORPORATE SOCIAL RESPONSIBILITY
POLICY**

INTRODUCTION

Gallantt Ispat Limited ("the Company/GIL") has developed the Corporate Social Responsibility ("CSR") Policy in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government of India.

This Policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

The purpose of this policy is to ensure Gallantt Ispat Limited, affiliates and associated companies; consistently operate in a manner that minimises detrimental impacts to society and the environment. CSR has always been on the agenda of the Company. Pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having Net Worth of Rs. 500 Crores or more or Turnover of Rs. 1,000 Crore or more or Net Profit of Rs. 5 Crore or more shall constitute Corporate Social Responsibility Committee ("CSR Committee").

The CSR Committee so constituted formulated the CSR Policy and recommended the same to the Board of Directors ("BOD") of the Company for its approval. The BOD of Gallantt Ispat Limited acting upon the recommendation of its Directors and CSR Committee, has adopted the following policy and procedures with regard to the Company's Social Responsibility.

VISION

The CSR Committee's Vision is "improving lives in pursuit of collective development and environmental sustainability". This vision should encompass all CSR activities of the Company.

MISSION

The CSR Committee's Mission is to actively contribute to the social & economic development of the community in the state, where the company operate and in so doing build a better sustainable way of life for the weaker and socially backward, underprivileged section of society and to raise the country's human development index.

CORPORATE SOCIAL RESPONSIBILITY PHILOSOPHY

Company's continual aspirations to achieve and surpass the highest standards of conduct and corporate social responsibility are essential components of how we measure our success. GIL strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. This policy clearly sets forth GIL's social responsibility objectives and provides guidance on the social responsibilities of all individuals associated with GIL. GIL's primary responsibility is to ensure the long-term success of the Gallantt Group through the adoption and management of good corporate social behaviour.

OBJECTIVES OF THE POLICY

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company. The Policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia provide the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

DEFINITIONS

"Act" means the Companies Act, 2013;

"Corporate Social Responsibility" means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and Companies Corporate Social Responsibility Policy) Rules, 2014;

"Ministry" means the Ministry of Corporate Affairs;

“Net Profit” means net profit as defined in Section 135 of the Companies Act, 2013 and Companies Corporate Social Responsibility Policy) Rules, 2014 as set out below:

Net Profit 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:

Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

LIST OF CSR PROJECTS/PROGRAMS/ACTIVITIES

The policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014:

The activities involve the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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 arts and handicrafts;

- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- Contribution to the Prime Ministers' National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- Rural development projects.
- Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act as amended from time to time.

AREA OF ACTIVITY

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR. The Company will thus give preference to conducting CSR activities in the State of Uttar Pradesh, Bihar, West Bengal, Gujarat and such other state(s) in India wherein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

THE PROCESS TO MONITOR SUCH PROJECTS OR PROGRAMS

- The CSR Committee of the Board of Directors of the Company shall approve to the Board of Directors the projects and activities to be undertaken by the Company out of the activities stated hereinabove as per Schedule VII of the Companies Act, 2013.
- The CSR Committee shall recommend from time to time the amount of expenditure to be incurred on the activities referred to hereinabove and to monitor the Corporate Social Responsibility Policy of the company from time to time.
- The CSR Committee, shall prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities to be undertaken by the Company. The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information

contained in the records of the Company as well as the powers to call any employee/external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

- Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and the same will be available to the Board of Directors of the Company.
- Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
- The CSR Committee and persons/entities authorised by it will conduct the due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.

PLANNING AND IMPLEMENTATION

The Board shall ensure that the CSR activities are undertaken by GIL itself or through –

- a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by EIL, either singly or along with any other company, or
- 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
- any entity established under an Act of Parliament or a State legislature; or
- a company established under section 8 of the Act, or a registered public trust or a registered society, not referred to above, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Every entity as covered above, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, for projects or programmes approved, effective from 1st April, 2021.

GIL may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. GIL may also collaborate with other Companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective Companies are in a position to report separately on such

projects or programmes. The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it. The Chief Financial Officer or the person responsible for the financial management shall certify to the effect.

In case of Ongoing Project if any, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, required for smooth implementation of the project within the overall permissible time period. ("Ongoing Project" is defined to mean a multi-year CSR project having timelines not exceeding 3 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 1 year by the Board based on reasonable justification).

CSR EXPENDITURE

1. The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The corpus would thus include 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.
2. The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.
3. Based on its consultative process of needs assessment as well as other criteria for identifying social initiatives, necessary budget allocation exercise shall be carried out at the start of relevant accounting year. The budget shall include details of activities/projects planned to be covered during the year. However, administrative overheads shall not exceed such limits as prescribed under the Act.
4. In any financial year, if the budgeted amount is not spent, Board shall, in its report made under section 134 (3) (o) of the Act, specify the reasons for not spending the amount.
5. The Company shall deal with the unspent amount, if any, in the following manner:
 - a) Where the unspent amount is related to an Ongoing Project, such unspent amount shall be transferred to the CSR Unspent Account within a period of 30 days from the end of the financial year and the same shall be spent in the manner as prescribed in section 135(6) of the Act and the Rules; and

- b) Where the unspent amount is not related to an Ongoing Project, such unspent amount shall be transferred to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year or such other time period as permissible under the Applicable Law.
- 6. Any surplus arising out of the CSR projects or programs or 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.
- 7. If the Company spends an amount in excess of the Minimum allocation of CSR, such excess amount may be set off against the minimum allocation of CSR of three immediately succeeding financial years subject to the conditions that –
 - a) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of Rule 7(2) of the Rules.
 - b) The Board of the Company shall pass a resolution to that effect.
- 8. The CSR amount may be spent by the 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; or
 - b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c) A public authority.
- 9. The CSR Committee would be authorized for sanctioning the amount for any specific activity/initiative within the overall approved ceiling limit and/or to delegate authority from time to time to the Authorised Person to allocate amount for any such specific activity within the approved ceiling limit.

FORMULATION OF ANNUAL ACTION PLAN

- 1. The Management shall place before the CSR Committee as well as before the Board, the Annual Action Plan preferably at the beginning of the Financial Year or such time as may be practically possible, which may be amended from time to time as recommended by the CSR Committee and approved by the Board.
- 2. Annual action plan shall include the following:

- a) the list of CSR projects or programmes that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Act;
- b) the manner of execution of such projects or programmes as specified in Rule 4(1) of the Rules;
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the Company;

3. The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

IMPACT ASSESSMENT

In the event of Company having an average CSR obligation of Rs. 10 Crores or more in three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study and the impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Company may book the expenditure towards CSR for that financial year, which shall not exceed 5 per cent of the total CSR expenditure for that financial year or Rs. 50 Lakhs, whichever is less.

REVIEW AND REPORTING

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months / such other intervals as deemed fit.

The Company will report in the prescribed format, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

Policy revised w.e.f. 01.04.2023
