

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

GILARD ELECTRONICS PRIVATE LIMITED

CIN: U31909PB1983PTC012861

1. PREAMBLE:

Section 135 of Companies Act, 2013 (hereinafter referred as 'Act') mandates every company having a net worth of Rs. 500 Crore or more or revenue of Rs. 1,000 Crore or more or net profit of Rs. 5 Crore or more shall constitute a Corporate Social Responsibility (CSR) Committee and the CSR Committee is responsible for formulating Company's CSR policy and monitoring the CSR programs and their performance. It is the Company's philosophy, firm belief and intent to effectively implement CSR and make a positive difference to society. It recognizes that it cannot do it all; so that if there are choices to be made, bias will be towards doing fewer projects with better outcomes and good impact and will focus initiatives on communities in which the Company lives, operates and particularly forming community whose development is the basic mission of the Company.

2. CSR POLICY:

This Policy shall be read in line with Act, Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred as 'Rules') and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time.

GILARD ELECTRONICS PRIVATE LIMITED (hereinafter referred as "GEPL" or 'the Company') believes that the actions of the organization and its community are highly inter-dependent. Through constant and collaborative interactions with our external stakeholders, GEPL strives to become an asset in the communities. As our CSR we actively implement Projects and initiatives for the betterment of society, communities, and the environment.

3. SCOPE AND APPLICABILITY:

This policy shall be applicable to all CSR initiatives and activities undertaken by Gilard Electronics Pvt Ltd through corporate foundations/ trusts/other charitable organizations for the benefit of different segments of the society.

MEETING OF THE COMMITTEE:

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary;

- a. The CSR Committee shall hold a minimum number of two meetings in a year.
- b. The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- c. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
- d. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means as may be convenient.

4. OBJECTIVE OF CSR POLICY:

The objective of this policy is to do continuously and consistently:

- Initiate projects that benefit communities;
- Encourage an increased commitment from employees towards CSR activities and volunteering.
- Generate goodwill in communities where "GEPL" operates or are likely to operate;

5. RESOURCES:

The CSR Committee is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Act, to be undertaken by the Company.

Functions of the CSR Committee: The CSR committee shall function within following areas:

- a) To formulate and recommend to the Board, this CSR Policy;
- b) To recommend the amount of expenditure to be incurred on the activities referred in CSR Policy; and
- c) To monitor the CSR Policy from time to time.

The Contents of this policy shall be disclosed in the Board report. Compliance will be reported to stakeholders through the Company's Annual Report. The Board shall ensure spending of

allocated amount on CSR activities and report the status in its annual report, also specify the reasons of non spending of the allocated amount, if any.

The members of the CSR committee shall be appointed or removed by the Board of Directors by way of Resolution. The minutes of CSR committee meetings shall be placed before the Board meeting.

6. FUNDING AND ALLOCATION:

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% or more of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the Section 198 of the Act read with the Rules. The annual allocations shall be credited to a fund called "GEPL CSR fund" and the unutilized amounts, if any, in any financial year shall be carried forward to the next financial year.

The Company may spend on building CSR capabilities. The Company may also make regular contributions to Corporate Foundations/ Trusts/ other charitable organizations (NGO's) for projects/ activities approved by the Board. The CSR Committee will approve the CSR budget annually on receiving the recommendations from CSR Committee.

Any income or surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company and will be credited to the CSR fund.

7. VOLUNTEERING OF EMPLOYEES FROM THE ORGANIZATION:

The Company will encourage and recognize its employees for volunteering with the spirit of serving and sharing with the community. The Company shall endeavour to increase employee participation at all levels in the Organization, by encouraging employees to participate in the Company's CSR activities.

8. CSR THRUST AREAS:

The Company has identified CSR Thrust Areas for undertaking CSR Projects/ programs/ activities in India. The actual distribution of the expenditure among these thrust areas will

depend upon the local needs as may be determined by the need identification studies or discussions with local government/ Gram panchayat / NGOs.

The CSR thrust areas are:

- (i) Eradicating hunger, poverty and malnutrition, promoting 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, agro forestry, 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 arts and handicrafts;
 - (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
 - (vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's 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;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (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."

9. IMPLEMENTATION:

- The CSR Committee shall provide guidance on the allocation of the CSR budget among the thrust areas on an annual basis.
- CSR Projects will be undertaken based on the recommendation of the CSR Committee to the best possible extent, within the defined Thrust Areas.
- GEPL's support to any project will depend on the scale of the project and feasibility of the project. The CSR Committee will evaluate the project progress and impact quarterly.

10. MONITORING PROCESS OF CSR ACTIVITIES:

To ensure effective implementation of the CSR activity, a monitoring mechanism will be put in place by the CSR Committee. All donations will be cleared/ signed off by the Managing Director.

All offices will submit project requests to Managing Director and further necessary route will

be followed.

The CSR Committee will monitor and review on a periodical basis the progress of CSR activities undertaken/ completed. All the CSR initiatives of the Company shall be reported in Directors' Report of the Company.

In order to ensure transparency and communication with all stakeholders, the CSR Committee will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Annual Report and Website of the Company.

11. CRITERIA FOR IDENTIFYING CSR PROJECTS:

While identifying the projects all efforts must be made to the extent possible to define the following:

- a. Project objectives.
- b. Baseline survey – It would give the basis on which the outcome of the Project would be measured.
- c. Implementation schedules- Timelines for milestones of the Project will need to be prescribed.
- d. Responsibilities and authorities.
- e. Major results expected and measurable outcome.

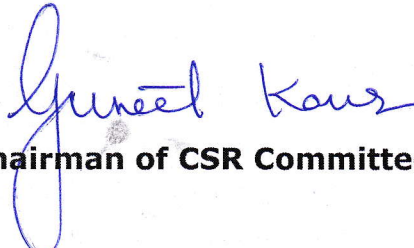
12. CRITERIA FOR IDENTIFYING THIRD PARTY CSR ORGANIZATIONS:

We may also undertake CSR activities through identified external agencies such as corporate foundations/ trusts/ other charitable organizations (NGOs). In case of Project execution by them the following minimum criteria need to be ensured:

- The NGO / Agency has a permanent office in India and having minimum 3 years experience in said activities;
- The NGO is a registered society under Societies' Registration Act / Public Trust Act/ not-for profit company under Section 8 of the Act, (erstwhile Section 25 of the Companies Act, 1956);
- Possesses a valid Income-tax Exemption Certificate;
- The Company may also collaborate with other companies to undertake CSR Projects or Programs, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programs.

Dated: 11.01.2024

Place: MOHALI


Chairman of CSR Committee

Approval of CSR Policy by Board:

Dated: 24.01.2024

Place: MOHALI


Chairman of Board Meeting

Schedule VII

Activities which may be included by companies in their Corporate Social Responsibility.

Policies Activities relating to:-

- (i) 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.
- (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 widow;
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports
- (viii) Contribution to the prime minister's national relief fund 8[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

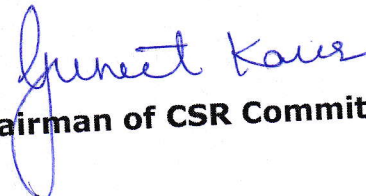
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry 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.
Tags: Companies Act, Companies Act 2013, corporate social responsibility, CSR

Dated: 11.01.2024
Place: MOHALI


Chairman of CSR Committee

Approval of CSR Policy by Board:

Dated: 24.01.2024
Place: MOHALI


Chairman of Board Meeting

Check list for legal activities to be done for CSR

Check the following in the Balance Sheet of the immediately preceding F.Y. Net

- 1)Worth – Rs. 500 Crore or more
- 2)Turnover – Rs. 1000 Crore or more
- 3)Net Profit – Rs. 5 Crore or more

If the Company meets any of the above financial strength criteria, then the CSR provisions and related rules will be applicable to the Company.

Then follow the below mentioned procedure:

1. Issue of Notice for the Board Meeting for the Constitution of Corporate Social Responsibility Committee by such number of Directors (as may be applicable), as the Members of the Committee.

2. Convene Board Meeting for the Constitution of CSR Committee.

AFTER FORMULATION OF CSR COMMITTEE

3. Issue of Notice for Convening CSR Committee Meeting for formulation and recommendation of CSR Policy to the Board.

4. Convene Corporate Social Responsibility Committee Meeting for formulation and recommendation of Corporate Social Responsibility Policy to the Board.

5. Issue of Notice for the Board Meeting for approval of Corporate Social Responsibility Policy.

6. Convene Board Meeting for the approval of CSR Policy.

7. Finalisation of Corporate Social Responsibility Policy.

8. Issue of Notice for Convening CSR Committee Meeting for recommendation to the Board for allocation of funds to be spend on the activities of CSR.

9. Convene Corporate Social Responsibility Committee Meeting for recommendation to the Board for allocation of funds to be spend on the activities of Corporate Social Responsibility.

10. Issue of Notice for the Board Meeting for allocation of funds to be spend on the activities of Corporate Social Responsibility.

11. Convene Board Meeting for the approval for allocation of funds to be spend on the activities of Corporate Social Responsibility.

12. the Company shall disclose the contents of the policy in the Board Report and if the amount is not spent on CSR, then the Company shall disclose the reasons for not spending the amount.