



# GUJARAT INDUSTRIES POWER COMPANY LIMITED



## Corporate Social Responsibility (CSR) Policy, 2021



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## SECTION- 1

### PREAMBLE

Even before the concept of Corporate Social Responsibility (CSR) became a legal requirement through the Companies Act, 2013, Gujarat Industries Power Company Limited (GIPCL) had been serving the surrounding community with great commitment. The CSR Policy is being documented with an objective to formalize the current practices being followed by the Company as well as the blue print for CSR in the times to come. Section 135 read with Schedule VII to the Companies Act, 2013 and the Corporate Social responsibility Rules, 2014 (CSR Rules), as amended have prescribed the requirements for the legal and structural framework for undertaking CSR activities.

The Company's focus has always been to contribute to the holistic and sustainable development of the society and environment and to make our planet a better place for future generations. The Policy shall apply to all CSR activities taken up at all the Facilities/Business locations of the Company.



## **SHORT TITLE**

This policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate entity and lays down the guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large, is titled as the '**GIPCL CSR Policy**'.

This policy will apply to all CSR initiatives and activities taken up at the various Plant / Business locations of GIPCL for the benefit of different segments of the society.

## **DEFINITIONS**

### **ACT**

Act shall mean the Companies Act, 2013 including with reference to Section 135 and shall include any amendments thereto or re-enactments thereof.

### **RULES**

Rules means the Companies (Corporate Social Responsibility Policy) Rules, 2014 and includes any amendment(s) thereto, from time to time.

### **ADMINISTRATIVE OVERHEADS**

"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 program."

### **CSR**

"Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in the rules, but shall not include the following, namely :

- (i) activities undertaken in pursuance of normal course of business of the company.
- (ii) 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.
- (iii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
- (iv) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019); activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- (v) activities carried out for fulfillment of any other statutory obligations under any law in force in India."

#### **CSR COMMITTEE**

"CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act."

#### **CSR POLICY**

"CSR Policy or GIPCL CSR Policy means a statement containing the approach and direction given by the Board of the 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."

#### **GIPCL**

GIPCL shall include all its plants / units, in India.

#### **NET PROFIT**

Net Profit means as defined in Rule 2(h) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.

## **ONGOING PROJECT**

"Ongoing Project means a multi-year project undertaken by a Company in fulfillment 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."

## **PUBLIC AUTHORITY**

"Public Authority means Public Authority as defined in clause (h) of section 2 of the Right to Information Act, 2005."

## **SCHEDULE**

"Means Schedule VII to the Companies Act, 2013 and as amended from time to time."

## **CSR VISION AND OBJECTIVE**

### **VISION**

GIPCL is committed to the cause of socio - economic upliftment of the community, particularly in the project affected areas with the ultimate objective of contributing to improving the 'Human Development Index'.

### **OBJECTIVE**

- It shall remain GIPCL's endeavor to involve the community people as stakeholders by following participatory approach to address their concerns, priorities, needs and aspirations, on a sustainable basis.
- GIPCL as a responsible corporate entity shall remain conscious of its obligations to the cause of society at large by taking up activities that contribute to promotion of social harmony, increasing opportunities to socially and economically marginalized sections of the society and promote environmental conservation.

## **SECTION – 2**

### **PLANNING, BUDGET AND IMPLEMENTATION**

#### **PLANNING**

##### **GEOGRAPHICAL COVERAGE**

Being a responsible corporate entity, GIPCL has always striven to engage in the socio-economic development and welfare of the community living around its various power plants / facilities. GIPCL shall continue to focus its CSR activities in the local and surrounding areas where it has its plants and operations, considering the wide scope, unmet needs and potential for overall development of the local population and neighbouring community.

##### **PROJECT IDENTIFICATION**

At GIPCL, CSR project identification shall be done broadly by means of the following.

- (a) Internal need assessment by cross-functional team at the local level.
- (b) Need identification studies by professionals, institutions / agencies.
- (c) Receipt of proposals / requests from State, District, Local Government etc.
- (d) Discussions and request from local representatives / civic bodies / citizens' forums / voluntary organizations.
- (e) Such other means / sources as may be deemed fit.

##### **THRUST AREAS**

CSR activities of GIPCL will generally be in consonance with Schedule VII to the Companies Act, 2013 and broad program heads shall be as below.



As far as possible, efforts shall be made to prioritise the various CSR activities under above mentioned program heads. However, CSR Committee shall be at liberty to decide the allocation / re-allocation of the earmarked amounts.

### **BUDGET**

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, GIPCL shall statutorily allocate not less than 2 percent of its average past three financial years' net profit. The said amount shall be worked out in accordance with the provisions of law in force to arrive at the annual CSR budget.

### **CSR Expenditure**

All CSR expenditure shall be made in accordance with the provisions of the Rule 7 of the Corporate Social Responsibility Rules, 2014 as amended vide notification dated 22<sup>nd</sup> January, 2021 covering minimum spending, treatment on surplus generated and excess spending, administrative overheads, spending on capital assets and finally transfer of unspent amount to funds specified in Schedule-VII.



## **IMPLEMENTATION**

### **EXECUTING AGENCY / PARTNER**

GIPCL shall take up its CSR activities directly or through an executing agency, which will seek to identify suitable programs for implementation in line with the CSR objectives of the company and so as to benefit the stakeholders and the community for which those programs are intended. CSR activities may also be undertaken by the company through an eligible entity as provided by the Act and Rules.

The Company may also collaborate with other companies for undertaking projects or programs 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 programs in accordance with the Rules.

### **Criteria for Identifying Executing Agency**

In case of program execution by NGOs / Voluntary organizations, the following criteria shall be ensured as per the statutory requirements.

- The entity has a permanent office / address in India and having minimum work experience in the respective areas of at least three years.
- The entity is a registered Trust and/or a Society under respective Acts having charitable objectives and registration with Ministry of Corporate Affairs (MCA).
- The entity shall have a valid Income-tax Exemption Certificate.

## **MONITORING, EVALUATION, DOCUMENTATION AND REPORTING**

### **Monitoring and Evaluation**

For purposes of monitoring and evaluation, a meeting of the CSR committee of Directors shall be held quarterly to review CSR activities and recommend the same to the Board.

### **Documentation**

Appropriate documentations and necessary display on the website of the GIPCL CSR Policy, annual CSR activities, executing partner details and expenditure earmarked / incurred and preparation of an Annual Report shall be undertaken as per statutory requirements.

### **Reporting**

GIPCL may undertake impact assessment of its CSR projects through an independent agency as per guidance provided in the Rules.

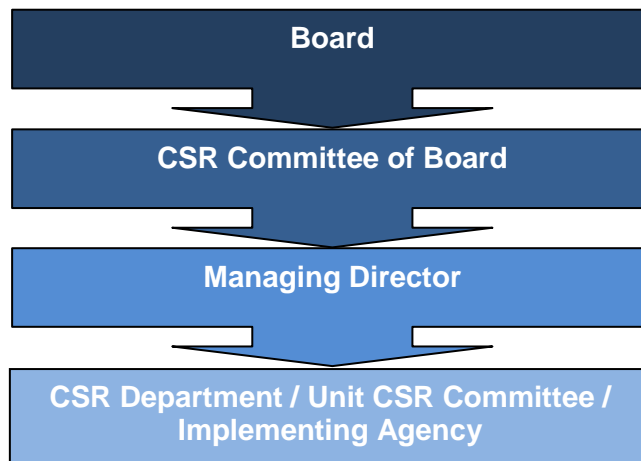
The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

## **SECTION – 3**

### **AUTHORITY AND RESPONSIBILITY**

#### **POWERS FOR APPROVAL**

The hierarchy flow of the approval of CSR activities shall be as follows:



The CSR activities as may be identified shall be placed before the CSR Committee of the Board for approval at the beginning of each financial year as well as at such intervals as may be deemed fit and proper. The budget for CSR activities shall form part of the Annual Revenue Budget of the Company and shall be placed before the Board of Directors for approval.

#### **RESPONSIBILITY**

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy comprising the list of CSR activities or projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.

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

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

In case of ongoing projects, the Board of the Company 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, for smooth implementation of the project within the overall permissible time period as per Rules.

## **SECTION – 4**

### **GENERAL**

In case of any doubt with regard to any provision of the policy and also in respect of matters not explicitly covered herein, a reference is to be made to the CSR Committee. In all such matters, the interpretation and decision of the Chairman (CSR Committee) in consultation with the Managing Director shall be final.

Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the requirements of the law in force from time to time.

The Company reserves the right to modify, cancel or amend this CSR Policy.

The CSR Committee shall meet at such intervals as may be required. The quorum for the CSR Committee shall be at least two members or one third of the members of the CSR Committee, whichever is greater.

Date : 03/09/2021  
Place : Vadodara

Sd/-  
(Vatsala Vasudeva, IAS)  
Managing Director