



Corporate Social Responsibility Policy

GAJA ENGINEERING PRIVATE LIMITED

Corporate Social Responsibility

Corporate social responsibility is referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change. The guiding principle beyond Corporate Social Responsibility is that "CSR is a process by which an organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. CSR is a way of conducting business, by which corporate entities visibly contribute to the social good.

Corporate Social Responsibility is an integral part of our philosophy and is instilled in our vision, our strategies and management goals. Throughout the years we have focused on growth whilst respecting the environment and being engaged with our communities. The organization recognizes the importance of the society it operates in and has been involved in initiatives focused on sustainable development.

Need for a CSR Policy

Section 135 & Schedule–VII of the Companies Act, 2013, which is related to CSR Activities has been published in the Gazette of India. It has been notified on 27.02.2014 by Ministry of Corporate Affairs, to be made effective from 01.04.2014. In view of the above, this policy on CSR is prepared.

CSR Vision and Mission Statement

To contribute to the overall development of the society by adopting ethical and exemplary governance practices that support activities towards the improvement of health and hygiene, education and sports and other social welfare activities whilst safeguarding the environment.

Involvement of Management & Employees

The spirit of CSR is to involve the management as well as the employees in the social activities of the company. The CSR activities would be managed by the Secretarial Department. The Finance and HR team shall maintain records of evidence in the form of documents, reports, photographs etc. in respect of internalizing socially responsible policies in the organization. Further, the Board will constitute a CSR committee to co-ordinate the CSR activities.

Areas of operation

Gaja Engineering Pvt. Ltd. is in the infrastructure industry having its projects across different states in India, but majorly in Telangana and Andhra Pradesh. Therefore, the Company will give preference to the areas in the states of Telangana and Andhra Pradesh and for spending the amount earmarked for CSR activities.

Responsibility of the Board

The Board of Directors will be responsible for the following:

- Constitute the CSR Committee which in turn frame and approve the CSR Policy;

- After taking into account the recommendations made by the CSR Committee, approve the approach and directions for CSR and the CSR Policy for the company;
- Approve the Annual Action Plan recommended by the CSR Committee and amendment thereto during the financial year, if any, recommended by the CSR Committee based on reasonable justification to that effect;
- Ensure that the activities as are included in the Corporate Social Responsibility Policy of the company are undertaken by the company;
- Ensure that the Company spends, in every financial year, funds committed by the company for CSR activities are utilized effectively and regularly monitoring the implementation;
- Disclosing in the Annual Report, the Composition of CSR Committee, the Content of the CSR policy and other disclosures as mentioned under the Act.

As per Section 135 the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report. The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

CSR Committee

The CSR committee will consist of two or more directors who shall be appointed by the Board. The Board has right to appoint or remove any person from the CSR Committee.

The CSR committee will be responsible for:

- Formulating and recommending to the Board, the CSR policy in compliance to Section 135 of the Companies Act, 2013;
- Identifying activities to be undertaken as per Schedule VII of the Companies Act, 2013;

- Recommending to the Board the CSR expenditure to be incurred on the activities referred to in the CSR Policy;
- Formulating and recommending to the Board, an annual action plan in pursuance of CSR Policy;
- Recommending to the Board the changes, if any, needed in the Annual Action Plan with reasonable justification to that effect;
- Regularly monitoring the implementation of the CSR Policy.

CSR Projects/Activities

The thrust of CSR shall be in the areas as specified in Schedule VII of the Companies Act, 2013 which may include:

- a) Gaja supports education around its units to children from less privileged sections of society by way of providing school infrastructure, books, uniforms, and allied support.
- b) Promoting Innovation and Science: Gaja shall strive to promote innovation and education in the field of science and technology by contributing to the NGOs and institutions, which promote science and innovation.
- c) Promoting health care by conducting free health camps, distribute medicines to treat common flu/diseases, contributing to foundations etc.
- d) Eradicating hunger, poverty and malnutrition by providing free food/groceries, contribution to foundations who provide nutritious food to the less privileged sections etc.
- e) Undertaking rural development projects like laying of roads, providing drinking water and sanitation facilities etc.
- f) Promoting of sports by contributing to the sports coaching foundation and other sports activities.
- g) Promoting gender equality by taking suitable measures etc.

Apart from the above-mentioned activities, the company can take up CSR activities, which shall be as per Schedule–VII of the Companies Act, 2013 including any statutory modifications or re-enactment thereof, for the time being in force.

Approval of CSR Projects/Activities

All the CSR projects/activities shall be approved by CSR Committee and ratified by Board of Directors.

Allocation of funds

Our Company shall spend in each financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years. The total budgetary allocation shall be approved by the Board of directors. However, the reason for not being able to spend shall be disclosed in the Annual report.

Planning, Implementation & Monitoring

The CSR policy shall be implemented as per the Act and Rules. The CSR Policy shall be implemented ensuring that all projects/programmes are duly carried out. CSR spends will be closely monitored and funds shall be released against verified utilizations as per the approved work plans. CSR spends will be audited in an accountable and transparent manner.

Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan that shall include the following:

- i) the list of approved CSR projects or programs to be undertaken in areas or subjects specified in Schedule VII to the Act;
- ii) the manner of execution of such projects or programs as specified in rule 4(1) of CSR Rules;
- iii) the modalities of utilisation of funds and implementation schedules for the projects or programs;
- iv) monitoring and reporting mechanism for the projects or programs; and
- v) details of need and impact assessment, if any, for the projects undertaken by the company;

General

The CSR policy shall be recommended by the CSR committee to the Board of Directors for its approval.

- The Company reserves the right to modify, cancel, add, or amend any of the above rules/guidelines, with the approval of CSR committee & ratification of Board of Directors.
- Any or all provisions of the CSR policy shall be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government of India, from time to time.

- In case of doubt with regard to any of the provisions of the policy and also in respect of matters not covered herein, the interpretation & decision of the CSR committee shall be final.

Conclusion

Gaja Engineering Private Limited is committed in ensuring the implementation of the proposed CSR programs in order to bring meaningful and sustainable development of underserved communities. The company will leave no stone unturned in ensuring that it contributes to the society. Through this initiative we aim more and more students will be benefited every year. Gaja is committed for the overall development of the community through promotion of education, health, sports, protecting the environment and other developmental activities.