



Gulf Oil Lubricants India Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

Background:

Gulf Oil Lubricants India Ltd. ("GOLIL") is inspired and guided by the pioneering thoughts "My dharma (duty) is to work so that I can give" of late Shri Parmanand Deepchand Hinduja- Founder of the Hinduja Group. GOLIL is a socially responsible corporate and has undertaken and implemented Corporate Social Responsibility (CSR) activities in accordance with the thrust areas identified for the upliftment of the economically and socially disadvantaged communities and shall continue to do in future.

The prioritized areas for CSR activities of GOLIL include Education, Sustainable Development, Health Care and other philanthropic and humanitarian activities.

Objective:

- Identification of constituencies of economically and socially disadvantaged sections of the community and causes to work with, for undertaking CSR activities in order to attain sustainable development and all round social improvement.
- Encouraging employees to participate in the Company's CSR initiatives and to promote a unified and strategic approach towards CSR activities in an organized manner.
- Funding or carrying out charitable and socially responsible activity.

Implementation of CSR Activities:

Section 135 of the Companies Act, 2013 ('Act') states that every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall ensure to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The CSR Rules have clarified that the CSR initiative must be carried out in a project/program mode and should align with Schedule VII that provides a list of thematic areas to be considered for CSR initiatives.



Corporate Social Responsibility Committee (“the Committee”):

The Board of Directors of the Company (“the Board”) have constituted a Corporate Social Responsibility Committee. The Committee would function in accordance with the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014 (“the Rules”) including any statutory modifications or re-enactment thereof.

The Committee presently comprises of three directors as members. The Chairperson of the Committee is an Independent Director.

The Committee shall carry out the following functions:

- Formulate and recommend to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Recommend to the Board the projects or programmes to be undertaken, modalities of execution and implementation schedule from time to time;
- Recommend the amount of expenditure to be incurred on the projects and programmes;
- Review the CSR Policy from time to time.
- Monitor the implementation of the multi-year project
- Such other functions as may be specified by the Board from time to time.

CSR Activities:

After being approved by the Board, the Company shall undertake any of the following CSR activities as prescribed in Schedule VII of the Act:

- 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;
- 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 centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environment 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;
- 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans,



- and their dependents including widows;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
 - 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 Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
 - R&D projects in the field of Science, Technology, Engineering and Medicine funded by the Central Government or State Government or any agency or PSU of the Central Government or State Government;
 - Support Technology Incubators and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies by way of fellowships/grant;
 - Contribute to any Disaster Management/Relief Activities including rehabilitation and reconstruction activities arising out of external aggression or major disruption of social and communal harmony or natural disasters or humanitarian relief;
 - Rural and slum development projects such other activities as may be prescribed in Schedule VII of the Act from time to time.

The following activities shall not be considered as CSR activities:

- Activities undertaken in pursuance of normal course of business of the company.
- Activities that benefit employees of the Company.
- Contributions of any amount directly or indirectly to any political party under Section 182 of the Act.
- 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.
- One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc.
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- Expenses incurred by companies for the fulfillment of any Act/ Statute or regulations (such as Labour Laws, Land Acquisition Act etc.).

Expenditure on CSR Activities:

As required by the Act, the Company shall in any financial year spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years. The amount to be spent on CSR activities shall be approved by the Board on the recommendation of CSR committee.



In the event if the Committee fails to spend such amount (percentage) specified above, the Committee shall provide an explanation to the Board specifying the reasons for not being able to spend the said amount and the said reasons shall also be given in the Board's Report as required under the Act. Any unspent amount as on the end of the financial year, shall be transferred by the company to fund as specified in Schedule VII for the purpose. In case the CSR amount remains unspent pursuant to any Ongoing Project undertaken by the Company, then the Company should transfer such unspent amount to a special bank account within a period of 30 days from the end of the financial year.

Expenditure shall include all expenditure including contribution to corpus for the projects or programs relating to CSR activities approved by the Board on recommendation of CSR Committee but does not include expenditure on any activity which is not in line with the activities prescribed under Schedule VII of the Act.

GOLIL may build CSR capacities of its own personnel as well as those implementing agencies through Institutions with established track records of at least 3 financial years but such expenditure (including expenditure on administrative overheads) shall not exceed 5 % of total CSR expenditure of the Company in one financial year.

However, expenses directly incurred for the designing, implementation, monitoring, and evaluation of a 'particular' CSR project or programme shall be excluded from 'administrative overheads' i.e. these expenses will be eligible to be claimed towards CSR expenditure and will not be limited by the 5% limit on administrative overheads.

As far as possible and practicable, GOLIL shall give preference to the local area and the areas where GOLIL mainly operates to spend the amount earmarked for CSR activities. Further the CSR activities or projects or programs undertaken in India only shall be treated as CSR expenditure.

Monitoring process of CSR activities:

The Board/ Committee shall set up a CSR Forum consisting of Senior Management Personnel/ Senior Executives from HR, Finance and Corporate Communications Department of the Company who shall be responsible for the implementation of the CSR activities which have been approved by the CSR Committee. The CSR Forum shall put in place a formal process for evaluating and approving CSR projects before being recommended to the Committee. The CSR Forum will review the CSR projects in terms of financial monitoring and outcome of the projects.

In case of multi-year project undertaken by the Company in fulfilment of its CSR obligation, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation.



Partnerships/ Implementation Agencies for carrying out CSR Activities:

CSR activities shall be undertaken by the company either itself or through -

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under Income Tax Act, 1961 and with Central Government, established by the company, either singly or along with any other company, or
- (b) 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 and registered with Central Government; or
- (c) any entity established under an Act of Parliament or a State legislature and registered with Central Government; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under Income Tax Act, 1961 and with Central Government, and having an established track record of at least three years in undertaking similar activities.

CSR initiatives may be implemented directly by GOLIL on its own through the dedicated team of employees. In the event such initiatives are to be implemented through NGOs, the CSR Forum will approve the project proposal and budget before recommending the same to the Committee.

GOLIL may also collaborate with other companies to undertake CSR projects or programs or CSR activities provided the CSR Committee of the respective companies are in a position to report separately on such projects. In the event if CSR activities are undertaken through other executing agencies, GOLIL shall specify the projects to be undertaken, modalities of utilization of funds and the monitoring and reporting mechanism.

Disclosure:

The Board's Report will include an Annual Report on CSR containing particulars as specified in the Annexure to the Rules. Further, the Company shall disclose the constitution of the CSR Committee and the contents of the CSR Policy in its Annual Report and also place this Policy on the website of GOLIL.

Amendment:

The Board of GOLIL reserves the right to amend or modify this Policy in whole or in part, at any time. The policy shall be reviewed from time to time to keep abreast with changing requirement.

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Last amended on February 05, 2021

