

GLOSTER LIMITED
(Formerly Kettlewell Bullen & Co. Ltd.)

CORPORATE SOCIAL RESPONSIBILITY POLICY

Preamble

Gloster Limited (“the Company”) has since long been involved in activities of social welfare and betterment of the society as a responsible corporate citizen. The Company believes that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability.

India has emerged as one of the largest economies in the world, and an important player in the global scenario, but, it is still home to the largest number of people living in abject poverty and the largest number of undernourished children due to uneven distribution of wealth which many believe, is the root cause of social unrest.

In purview of the social scenario of the country the need for Corporates to come forward and contribute to the cause of nation building has gained prominence from all avenues. The Government as well as regulators has framed various guidelines pertaining to responsibilities of business as well as the mandatory Corporate Social Responsibility (CSR) provisions under the Companies Act, 2013.

With the implementation of the Companies Act, 2013 (“the Act”) & notification of section 135 of the Act read together with Schedule VII and the rules made thereunder dealing with CSR, it has become mandatory for Companies falling within the purview of section 135 of the Act to undertake CSR activities as prescribed in the Act.

Short Title & Applicability

This policy, which encompasses the company’s philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the “Gloster Limited CSR Policy”. It has been prepared keeping in mind the Company’s Code of Business Ethics and to comply with the requirements of Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Objective

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for the Company to fulfill its CSR in accordance with the framework of the Act and its compliance in true spirit.

CSR Vision Statement

The Company, through its CSR activities / initiatives will strive to create value in the society and in the community in which it operates, for betterment of the society and community.

CSR Committee

The Corporate Social Responsibility Committee shall consist of three or more Directors amongst which / at least one shall be an Independent Director.

The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

The CSR Committee shall:

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act
- b. Recommend the amount of expenditure to be incurred on the CSR activities in a financial year which shall not be less than amount as required under the Act
- c. Monitor the Corporate Social Responsibility Policy of the Company from time to time for ensuring implementation of the projects / programmes / activities proposed to be undertaken
- d. Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy

CSR Activities

The Company shall identify any one or more of the following areas for its CSR activities:

- a. eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation and making available safe drinking water
- b. promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
- c. 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
- d. 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
- e. 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

- f. measures for the benefit of armed forces veterans, war windows and their dependents
- g. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports
- h. 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
- i. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- j. rural development projects

The activity / list of activities identified by the Company from time to time from the above items shall form part of this CSR Policy. Since this is the first year of formal CSR activity to be undertaken by the Company under the provisions of Companies Act, 2013, the specific modalities of execution of CSR Project/Programme and its Implementation Schedule is being developed by the Committee for recommending to the Board of Directors.

The Company will give preference to the local area and the areas around which it operates for spending the amount earmarked for CSR activities.

The Board of Directors shall ensure that the Company spends at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

The Board of Directors may decide to undertake its CSR activities recommended by the CSR Committee, through a registered Trust or a registered society or a company established by the Company or its Subsidiary or Associate Company, under section 8 of the Act or otherwise:

Provided that –

- If such trust, society or company is not established by the Company or Subsidiary or Associate company, it shall have an established track record of three years in undertaking similar programmes or projects
- The Company shall specify the project or programmes to be undertaken through these entities, modalities of utilization of funds on such projects and programmes and the monitoring and reporting mechanism.

The Company may also collaborate with other Companies for undertaking projects or programmes for CSR activities in such a manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programmes.

The Company may build CSR capacity of its own personnel as well as of the implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed 5 (five) percentage of the total CSR expenditure of the Company in a financial year.

CSR Expenditure

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will spend 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down in this policy. CSR projects or programmes or activities undertaken in India only shall amount to CSR Expenditure. Any unspent/unutilized CSR allocation of a particular year, will be carried forward to the following year, that is, the CSR Budget will be non-lapsable in nature.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity with the CSR Policy.

Exclusions

Contributions of any amount directly or indirectly made to any political party under section 182 of the Act, shall not be considered as CSR activity.

The CSR projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

Any surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company.

Implementation

CSR programmes will be undertaken by the Company to the best possible extent within the defined ambit of the identified Project/ Programme.

The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

The Company shall ensure that the CSR programmes shall be executed in and around the areas adjoining Company's workplace i.e. offices & factories.

Monitoring and Feedback

To ensure effective implementation of the CSR programmes undertaken a monitoring mechanism will be put in place by the CSR Committee. The progress of CSR programmes under implementation at work centre will be reported to CSR Committee at regular intervals.

The CSR Committee may conduct impact studies on a periodic basis, through independent professional

third parties/professional institutions, especially on the strategic and high value programmes.

Appropriate documentation of the Company's, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.

CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 of the Companies Act, 2013 and rules made thereunder.

General

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference will be made to the CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Company reserves the right to modify, add, or amend any of these Policy Rules/Guidelines