



GREENPANEL INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Greenpanel Industries Limited (hereinafter called “the Company”) believes that as a responsible corporate citizen, it has a duty towards the society, environment and the Country where it operates. The Company's sense of responsibility (which goes beyond just complying with operational and business statutes) towards the community and environment, both ecological and social, in which it operates is known as Corporate Social Responsibility. The Company recognizes that by contributing towards the same, it is not doing any philanthropy but is in fact the very basis of doing sustainable profitable business. Accordingly, the Company has formulated this Corporate Social Responsibility Policy (“Policy”). The objective of this Policy is to integrate the business processes with social processes and to guide the Company and its people to empathize with social activities also. The Company believes that CSR Policy is the Company’s faith in socially inclusive and sustainable business as the way of doing business.

I. INTERPRETATION

For the purposes of this Policy references to the following shall be construed as:

1. “Corporate Social Responsibility” or “CSR” shall mean the activities intended to be taken up as mentioned herein.
2. “Corporate Social Responsibility Committee” or “CSR Committee” or “Committee” shall mean a Committee constituted by the Board of Directors as per the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
3. “Policy” shall mean the contents herein including any amendments made by the board of directors of the Company.
4. “Net Profits” shall mean the net profit before tax of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely: -
 - a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - b. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013.
5. “CSR Projects” shall mean such projects coming under Annexure I which are selected by the CSR Committee to be pursued by the Company within the territory of India.

“Total CSR Spend” shall mean 2% or such percentage as may be statutorily prescribed of the average Net Profits of the last three financial years in relation to the financial year in question or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years.

II. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act 2013, the Board of Directors of the Company shall constitute a Corporate Social Responsibility (CSR) Committee consisting of three or more directors, out of which at least one director shall be an Independent Director. The Committee shall be responsible to:

- 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 and monitor the Policy from time to time;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above;
- c) Authorise any employee of the Company to come forward to contribute to the Company in its CSR Activities look after implementation of projects, wherever necessary.

III. POLICY OBJECTIVE

The cornerstone of the Policy is:

1. The Company will encourage voluntary efforts of its directors and employees to CSR Projects. The Company also encourages its directors and employees to recommend to the CSR Committee meaningful projects that may be taken up by the Company, under the supervision of the CSR Committee.
2. In addition to Projects that may be taken up by the Company directly, the Company may also collaborate with other companies or entities, including its group companies, to carry out any CSR Projects, in accordance with this Policy.
3. The investment in CSR projects shall be project-based with specific time frames.
4. As far as possible, the Company shall strive to create self-sustainability in its CSR efforts, that is to say, over a long run, a CSR Project should be able to generate sufficient resources, whether by way of profits or by way of a regular flow of contributions, so that it does not have to depend on the Company's contribution on a regular basis.
5. The progress of all CSR Projects, including the spending thereon, shall be periodically reviewed by the CSR Committee.

IV. MANNER OF SELECTION AND EXECUTION OF CSR PROJECTS

1. A CSR Project may be selected by the CSR Committee coming under Annexure I, either based on its own discretion, or based on recommendations by any stakeholder of the Company.
2. The CSR Committee, after identifying and approving a CSR Project, may fix a target spending, and direct the CSR Cell to carry out the execution thereof.
3. The CSR Committee shall periodically monitor and evaluate the performance of the Projects and the achievement of targets.

V. CARRYING OUT OF CSR PROJECTS THROUGH EXTERNAL AGENCIES

A CSR Project may be implemented either through its internal resources or through external agencies. In case the CSR Committee decides to execute a CSR Project through an external agency, such as a registered trust, society or NGO (“Agency”), it would adhere to the following guiding principles:

1. The Agency must be eligible for carrying the CSR Project and must have track record in carrying similar project for a period to the satisfaction of the Committee, but not less than 3 years. Subject to the above, any director of the Company may be associated/affiliated as a trustee, governing body member or in any other manner with the Agency, provided that no personal benefit, directly or indirectly, should flow from such Agency to any such director.
2. The Committee shall provide specific Project agenda, targets, target spending, accomplishments, manner of execution etc. to the Agency, subject to discussions with the Agency.
3. The disbursement of funds to the Agency must be done on a progressive basis so as to align with the funding needs of the Project, and to permit the evaluation of the activity carried so far.
4. The Agency must provide periodically reports, to the satisfaction of the Committee, about execution of the Project.

VI. CSR EXPENDITURE

1. CSR spending shall include spending in kind, that is, application of any of the assets or properties of the Company to a CSR project/program. Where any such property or asset is so utilized by the Company, the lower of its fair value or WDV shall be treated as the monetary amount of the spending.
2. Any direct and/or indirect expenses incurred by the Company in accordance to this Policy for projects or programs relating to CSR activities shall construe as CSR Expenditure.
3. In any financial year in which the Company could not spend 2% of its average net profits, the Company may carry forward such unspent amount with an intent to spend the same in any future year.
4. Any amount remaining unspent, pursuant to any ongoing project, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
5. The CSR Committee would be authorised for sanctioning the amount for any specific activity/initiative within the overall approved ceiling limit and/or to delegate authority from time to time to the Authorised Person to allocate amount for any such specific activity within the approved ceiling limit.

VII. MONITORING AND EVALUATION

1. The Committee shall seek financial statements and reports from the Authorised Person/external agencies on each project from time to time.
2. The Committee shall discuss the progress of each project undertaken and make any decision with respect to the project which it thinks fit.
3. Where, after the adoption of this Policy by the Board of the Company, the Committee requires further funds for undertaking any new CSR project, the Committee shall request the Board of the Company to approve such higher amount.
4. Where there is any surplus lying in the “Expenditure for CSR Account” (which need not be a separate fund, but merely an accounting reserve), the same shall not be considered a part of the business profits of the Company. Such surplus shall be carried forward to the next financial year.
5. Where the Company has failed to spend the allocated amount or failed to meet the timeline for execution of its projects, the CSR Committee shall furnish to the Board the reasons for the same.
6. The Board will review the Policy from time to time based on changing requirements of the target beneficiaries and make such modification(s), as may be necessary.

VIII. ALTERATIONS

The Board shall have the authority for approval of this policy in pursuance to this Regulations and is further authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall be in consonance with the provisions of the Acts and Regulations.

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard. Any change in the prescribed period of archiving in the Regulations or the other Applicable Laws shall *mutatis mutandis* apply to the corresponding related Clause of the Policy.

**By Order of the Board
For Greenpanel Industries Limited**

**Shiv Prakash Mittal
Executive Chairman**

Place: Gurgaon

Date of Approval: 14-08-2019

ANNEXURE - I

List of activities that may be taken up by the Company as their Priority Projects -

- (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;
- (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 govt. for socio economic development and relief and welfare of the schedule caste, 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 govt.
- (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) any other activities as may be prescribed under Schedule VII or any other Statutory Act.