



GOPAL SNACKS LIMITED

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

Version	Summary of changes	Board Approval on	Date of Release
Version 1	Initial	01.04.2021	01.04.2021
Version 2	Amendment	05.05.2023	05.05.2023

1) PHILOSOPHY

We as a company, never lose sight of our responsibility to the environment and society. Our commitments towards Corporate Social Responsibility (“**CSR**”) includes but is not limited to, promotion of education and healthcare, conserving energy and combating climate change, betterment of the society through respect for universal human rights and the environment, while with integrity and accountability and by operating responsibly and sustainably.

2) OBJECTIVE AND SCOPE

a) Objective

The main objective of the Corporate Social Responsibility Policy (“**Policy**”) is to lay down guidelines for Gopal Snacks Limited (“**Company**”) to make CSR as one of the key focus areas to adhere to the Company’s interest in the environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the proposed CSR Activities to be undertaken by the Company and ensuring that they are in line with Section 135 read with Schedule VII of the Companies Act, 2013 (“**Act**”) as amended from time to time. It covers the CSR Activities which are being carried out in India and includes strategy that defines plans for future CSR Activities.

b) Scope & Coverage

The CSR Activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Act amended from time to time. Further, the Policy is applicable on the Company w.e.f. 01.04.2021 and the Company will review the sectors/activities from time to time and make additions/deletions/clarifications to the above sectors/activities.

3) DEFINITIONS

In this Policy unless the context otherwise requires,

- a) “**Act**” means the Companies Act, 2013 or any statutory modification or re-enactment thereof and includes any rules framed thereunder, as the case may be in respect to the reference made in the provisions under this Policy;
- b) “**Administrative Overhead(s)**” means the expenses incurred by the Company for the general management and administration of CSR functions of the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular CSR Project or programme;

- c) **“Annexure”** means annexure appended to the amended CSR rules notified in January 2021.
- d) **“Board of Directors”** or **“Board”** means the collective body of the directors of the Company;
- e) **“Company”** shall mean Gopal Snacks Limited, a company incorporated and registered under the Companies Act, 1956 having CIN: U15400GJ2009PLC058781, having its registered and corporate office located at Plot No. G2322, G2323, G2324, GIDC Metoda, Taluka Lodhika, Rajkot, Gujarat – 360021.
- f) **“Corporate Social Responsibility”** or **“CSR”** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 read with Schedule VII of the Act but shall not include the following:
- 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).
 - v. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and
 - vi. activities carried shall mean the activities mentioned herein and intended to be undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act.
- g) **“CSR Committee”** or **“Committee”** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act;
- h) **“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;
- i) **“Net Profits”** shall mean the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act;-

4) CSR ACTIVITIES

The Company shall undertake any of the following activities/projects or such other activities/projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”):

- a) Eradicating hunger, poverty, and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation 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 centres 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;
- f) Promotion and development of traditional arts and handicrafts;
- g) 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;
- h) Training to promote rural sports, nationally recognized sports, paralympic sports, and olympic sports;
- i) Contribution to the Prime Minister’s National Relief Fund or Prime Minister’s Central 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;
- j) Contribution to public funded universities as prescribed in schedule VII or funds provided to technology incubators in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
- k) Rural development projects;
- l) Slum area developments;
- m) Disaster management, including relief, rehabilitation, and reconstruction Activities; and

- n) Any other Activities in relation of the above and all other Activities which forms part of CSR as per Schedule VII of the Act as amended from time to time or the Board may consider to be appropriate. (collectively, “**CSR Activities**”)

Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

5) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

- i. **Constitution** : Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the CSR Committee. The members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least three or more directors, out of which at least one shall be an independent director.
- ii. **Meetings**: The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least one meeting in a financial year.
- iii. **Quorum**: The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.
- iv. **Sitting Fee**: The sitting fees for attending the meeting shall be determined from time to time by the Board of Directors.
- v. **Functions and Powers of Committee**: To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:
 - a) Recommend CSR Activities as stated under Schedule VII of the Act.
 - b) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
 - c) Approve to undertake CSR Activities, if necessary, in collaboration with other Companies /firms /NGOs etc., and to separately report the same in line with the Corporate Social Responsibility Rules, 2021 (“**CSR Rules**”).
 - d) Recommend the CSR budget.
 - e) Spend the allocated CSR amount on the CSR Activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
 - f) Create transparent monitoring mechanism for implementation of CSR initiatives in India.
 - g) Submit periodic reports to the Board in respect of the CSR Activities undertaken by the Company.
 - h) Monitor CSR Policy from time to time.

- i) Monitor activities/charter of internal working and monitoring group who are authorized to ensure that the CSR Activities of the Company are implemented effectively.
- j) Authorize executives of the Company to attend the CSR Committee meetings, if necessary.
- k) Any other matter/thing as may be considered expedient by the members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

iv. Meetings of the Committee: For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary;

- a) The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities.
- b) The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- c) The members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means as maybe convenient.

6) RESPONSIBILITIES OF THE BOARD

The Board shall:

- a) Form a CSR Committee and disclose the composition of the CSR Committee.
- b) Approve the CSR Policy after taking into account the recommendations made by the CSR Committee and disclose contents of such Policy in its report.
- c) Place the CSR Policy on the Company's website at www.gopalnamkeen.com
- d) Ensure implementation of the activities under CSR Policy.
- e) Ensure expenditure of requisite amount on CSR every year as per law.
- f) Disclose reasons for not spending the amount (if applicable) in the annual report to the shareholders of the Company.
- g) Ensure that the Administrative Overheads as covered under clause 7 (ii) are not more than 5% of the total CSR expenditure.
- h) Contribution to public funded universities as prescribed in schedule VII or funds provided to technology. Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the chief financial officer or the person responsible for financial management shall certify to the effect. Approve transfer of unspent CSR amount in accordance with the law. The accounts and finance team of the Company shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same. To ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in

pursuance, of its CSR Policy. The Board shall specify in its report the reasons for not spending the amount if the Company fails to spend such amount.

7) CSR EXPENDITURE

i. CSR Funds

- a) For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its annual CSR budget.
- b) The annual CSR budget shall be spent on activities laid down in this Policy.
- c) Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

ii. Administrative Overheads

The Board should ensure that the Administrative Overheads expenses not to exceed 5 % of the total CSR expenditure of the Company for the financial year.

iii. Surplus arising from CSR activity

Any surplus arising out of the CSR projects, programs or activities will not form part of the business profit of the Company and shall be treated in the following manner:

- a) ploughed back into the same project;
- b) shall be transferred to the unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan on the Company; or
- c) such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

iv. Excess CSR Spent

In case of excess CSR Spend in any year, such excess amount may be set-off against the requirement to spend up to immediate succeeding 3 financial years subject to:

- a) the excess amount available for set off will not include surplus arising from CSR Activities; and
- b) the Board to pass a resolution to that effect.

v. Creation or Acquisition of Capital Assets

The CSR amount can be spent for creation or acquisition capital assets which shall be held by:

- a) a company established under Section 8 of the Act or Registered public trust or registered society, having charitable objects and CSR registration number under the CSR Rules;
- b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities;
- c) public authority.

vi. Treatment of unspent amount

In the event, if the company fails to spend the entire amount in the financial year, the reasons thereof will be outlined as per Section 134 (3) (o) of the Act to be shared with all the stakeholders through the annual report and the unspent amount shall be transferred to any fund included Schedule VII of the Act until such a fund is specified in Schedule VII within 6 months from the end of financial year. However, any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its CSR 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 CSR 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, as specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

8) IMPLEMENTING AGENCY

The implementing agency should be any:

- a) A company established under Section 8 of the Act, or a registered public trust or the registered society established under Section 12AA and 80G of the Income Tax Act, 1961, established by the Company, either singly or along with the other agency; or
- b) A company established under Section 8 of the Act, or a registered public trust or the registered society established under Section 12AA and 80 G of the Income Tax Act, 1961, established by Central Government and State Government; or
- c) Any entity established under act of Parliament or State Legislature; or
- d) A company established under Section 8 of the Act, or a registered public trust or the registered society established under Section 12AA and 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in the similar Activities.

Where the CSR Activities are undertaken directly, the Company shall appoint its officers to undertake, supervise and monitor the CSR Activities and expenditures and they shall work under the control and supervision of the CSR Committee. Such officers will submit periodical report to the Committee.

The Company shall ensure that these officers have CSR capacities of their own and if required, they will be given the requisite training to undertake these tasks.

Form CSR -1 – (Rule 4(2) of CSR Rules, 2021) provides that: The eligible entities through which the company has undertaken the CSR Project or Programme will require to register itself with the Central Government by filing electronically e-Form (CSR-1) with effect from 1st April 2021 and get the unique CSR Registration Number generated by the system automatically.

9) CRITERIA FOR IDENTIFYING EXECUTING PARTNERS

While undertaking any project or program with other partnering organizations, the Company will undertake due diligence to evaluate the NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the CSR Policy and satisfy itself that the entities in the list of eligible entities through which the company shall undertake the CSR Project or programme are registered with the Central Government as required under the CSR Rules in this behalf.

10) MONITORING AND REVIEWING MECHANISM

CSR Committee shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company and report to the Board on a regular basis the progress of CSR Activities.

11) INFORMATION DISSEMINATION

Appropriate documentation of the CSR Policy, annual CSR Activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.

CSR initiatives of the Company will also be reported in the Annual Report of the Company.

CSR Report in the prescribed format shall form part of the Annual Board's Report. Further the composition of the CSR Committee and CSR Policy and Projects approved by the Board shall be disclosed on the website of the Company for public access.

12) EXCLUSIONS

- a. The CSR activities shall not include the activities undertaken in pursuance of its normal course of business.
- b. Any contribution, director indirect, to any political party, shall not be considered a CSR expenditure;
- c. The CSR projects or programs or activities that benefit exclusively the employees of the Company, and their families, shall not be considered as CSR Activities in accordance with this Policy;

- d. 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;
- e. activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- f. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and
- g. activities carried shall mean the activities mentioned herein and intended to be undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act.

13) 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 is to be made to CSR Committee. In all such matters, the interpretation and 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 CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board. In the event of any conflict between the provisions of this Policy/interpretation of the Policy by the Committee and of the applicable law, such applicable law in force from time to time shall prevail over this Policy/interpretation of the Policy.
