

GP PETROLEUMS LIMITED

“CORPORATE SOCIAL RESPONSIBILITY POLICY”

1. INTRODUCTION

The Board of Directors ('Board') of GP Petroleums Limited ('GPPL') had adopted this Corporate Social Responsibility Policy ('Policy') upon the recommendation of the Corporate Social Responsibility Committee (the 'CSR Committee') in terms of the applicable provisions of the Companies Act, 2013 (the 'Act').

The Board of Directors of the Company may review and amend this Policy from time to time. The prioritized areas for Corporate Social Responsibility ('CSR') activities of GPPL include Education, Sustainable Development, Health Care and other philanthropic and humanitarian activities.

2. OBJECTIVES OF THE POLICY

The Objectives of the CSR Policy are:

- i) 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.
- ii) 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.
- iii) Funding or carrying out charitable and socially responsible activities.
- iv) Preference for undertaking CSR activities will be given for areas where the operations of the Company / any of its subsidiaries, are carried on.

3. PHILOSOPHY

GPPL recognizes that business enterprises are economic organs of the society and draw on societal resources. GPPL further believes that a company's performance must be measured by its contribution to building not just economic but also social and environmental capital towards enhancing societal sustainability. GPPL believes that in the context of business, an enterprise possesses, beyond mere financial resources, the transformational capacity to create life-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, GPPL will continue to strive to generate livelihoods and environmental capital.

Such CSR projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of GPPL's business. Programs, projects and activities (collectively "CSR Programs") carried out in this regard are the subject matter of this Policy.

4. ACTIVITIES FOR SOCIAL AND INCLUSIVE DEVELOPMENT

GPPL shall undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of its corporate offices and plant locations. Apart from immediate vicinity areas, CSR activities may also be taken up in urban, rural and tribal communities, wherein social engagement by GPPL is warranted as per the needs assessment.

5. CSR POLICY

It is GPPL's policy:

- i) To direct GPPL's CSR Programs, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital, supporting rural development, promoting education, providing preventive healthcare, providing sanitation and drinking water, creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India, preserving and promoting sports;
- ii) To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;
- iii) To engage in skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
- iv) To pursue CSR Programs primarily in areas that fall within and around the vicinity of the Company's offices and plant locations, to enable close supervision and ensure maximum development impact;
- v) To earmark amounts of monies towards CSR activities and to spend such monies either by itself or through a company established under Section 8 of the Act or through registered Trust / registered society duly established as per the provisions of the Act;
- vi) To promote sustainability in partnership with industry associations, in order to have a multiplier impact; and
- vii) To take up any other project or program as may be recommended / decided by the CSR Committee / Board of Directors of the Company, in line with the Schedule VII to the Companies Act 2013, as amended from time to time

6. CSR COMMITTEE

- i) The Board of Directors of GPPL at their Meeting held on 23rd May, 2016 duly constituted a Committee of the Board, with the nomenclature "Corporate Social Responsibility Committee" ("the Committee"). The Committee will act in accordance with the terms as specified in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time. The Committee may further be reconstituted as per the requirements of the Act, from time to time.

- ii) The requisite quorum shall be any two members present at/for the Meeting. The Company Secretary shall act as the secretary to the Committee. Meeting of the Committee shall be called by the Secretary of the Committee at the request of any of its members. The Committee Members may attend the meetings physically or via videoconference / teleconference mode.
- iii) CEO/CFO of the Company will be responsible for overseeing the CSR activities of the Company and report the same to the Committee.

7. APPLICABLE GOVERNING LAWS

CSR Policy of the Company is governed by:

- i) Section 135 and other applicable provisions of the Companies Act, 2013; Companies (Corporate Social Responsibility Policy) Rules, 2014 and any other applicable rules, as amended from time to time, and
- ii) Guidelines issued by Board of Directors of the Company from time to time.

8. CSR Annual Action Plan (CAAP)

The CSR Committee shall formulate and recommend to the Board of Directors, an Annual Action Plan in pursuance of this Policy, which shall include the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act, manner of execution, the modalities of utilisation of funds and implementation schedules for the projects or programmes, monitoring and reporting mechanism, etc. The Board will consider and approve the Annual Action Plan with any modification that may be deemed necessary.

9. MONITORING

- i) The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or trusts, foundations, societies, bodies as determined under this Policy or as per CAAP.
- ii) The executive Management of the Company has sufficient leverage to take up / implement such programs / activities in line with the approved CSR policy of the Company / in line with Schedule VII to the Companies Act 2013, as amended from time to time.
- iii) The persons/agencies to whom the implementation is assigned will carry out such CSR Programs as determined by the CSR Committee within the specified budgets and timeframes and report back to the CSR Committee, through the Company Secretary, on the progress thereon at such frequency as the CSR Committee may direct, preferably on a half-yearly basis.
- iv) The CSR Committee shall review the implementation of the CSR Programs and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programs in accordance with this Policy.

- v) It shall be the responsibility of the CSR Committee to review such reports and keep the Board apprised of the status of implementation of the same.
- vi) At the end of every financial year, the CSR Committee will submit its report to the Board.
- vii) The contents of this Policy along with composition of the CSR committee and projects approved are also made available on the website of the Company.

10. CSR BUDGET AND EXPENDITURE

- i) CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programs undertaken in accordance with the approved CAAP-. Moreover, any surplus arising from any CSR Programs shall be used for CSR activities undertaken by the Company or transferred to the Unspent CSR Account. Accordingly, any income arising from CSR Programs will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.
- ii) The Company will spend at least 2% of the average net profits of the Company for the immediately preceding three financial years on the CSR programs / activities.
- iii) The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the Company.
- iv) Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 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 30 days from the date of completion of the third financial year.
- v) Any amount spent in excess of the statutory CSR requirements of the Company, excluding the surplus arising out of the CSR activities, may be set off by the Company up to immediate succeeding three financial years, after the same has been duly approved by the Board.
- vi) The Board of a company should satisfy that the funds disbursed are utilised for the purposes and in the manner as approved by them. The person responsible for financial management or the Chief Financial Officer should certify the same to the effect.
