CORPORATE SOCIAL RESPONSIBILITY POLICY

This policy outlines Gujarat Guardian Limited's ("**Company**") corporate social responsibility objectives and agenda. Social and environment related responsibility has always been at the forefront of the Company's operating philosophy and this reflects in the relationship the Company shares with the communities it engages with. We believe that in order to succeed, the Company must maintain the highest standard of corporate behavior towards its employees, consumers and the society of which it is a part of. It is our endeavor that through this Corporate Social Responsibility Policy ("**CSR Policy**"), the Company will bring about a difference and add value to the life of its stakeholders and the communities in which it operates.

Corporate Social Responsibility Principles

The Company is guided by the following primary Corporate Social Responsibility ("**CSR**") principles:

1. to conduct its business with integrity and respect towards the Company's stakeholders and in line with the code of conduct adopted by the Company. The Company seeks to develop effective strategies for engaging all its stakeholders;
2. growth and sustainability must go hand in hand. The Company's business model promotes sustainable growth and focuses on enhancement of long-term value creation for all stakeholders without compromising on its social obligations; to collaborate and engage with different stakeholders including the Government, Non-Government Organisations, suppliers, business partners, registered societies and other companies having a common CSR objective in the Company's area of operations in order to widen the Company's reach and leverage upon the collective expertise, wisdom and experience of such partnerships;
3. to consult with the local communities to identify effective and culturally appropriate goals;
4. to check pollution; recycle, manage and reduce waste; manage natural resources in a sustainable manner; and
5. to ensure efficient use of energy and environment friendly technologies.

Constitution of the CSR Committee

Pursuant to Section 135 of the Companies Act, 2013 ("**Act**") read with the Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of the Company has constituted a CSR Committee comprising of 4 (four) directors, being 2 (two) Independent Directors, 1 (one) nominee director of Modi Rubber Limited and 1 (one) nominee director of Guardian International Corporation.

The CSR Committee shall, *inter alia*, carry out the following functions:

(i) to formulate and recommend to the Board of Director of the Company, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII (as amended from time to time) of the Act ("**Schedule VII**");

(ii) to recommend the amount of expenditure to be incurred by the Company on the activities referred to above; and

(iii) to monitor the CSR Policy of the Company from time to time.

(hereinafter referred to as the "**CSR Committee**")

Chairman, Secretary and Minutes

The CSR Committee shall appoint a Chairman from amongst its members to chair its meetings. In the absence of the Chairman of the CSR Committee, the remaining members present shall elect 1 (one) of themselves to chair the meeting. The CSR Committee shall appoint the Company Secretary to the Company or another person to act as the Secretary to the CSR Committee.

True and correct minutes of all meetings of the CSR Committee shall be prepared by the Secretary of the CSR Committee. Minutes of CSR Committee meetings shall be approved by the Chairman of the CSR Committee. Once agreed by the CSR Committee, minutes shall be circulated to all members of the Board of Directors of the Company, except any such members in respect of whom a conflict of interest exists for regulatory or legal reasons in respect of any matter contained in those minutes; in which case a copy of the minutes omitting the relevant text shall be made available to the relevant director.

Meetings

The CSR Committee shall meet at least once a year. However, in the Financial Year 2015-2016, the Committee shall meet at least once in each quarter. Meetings of the CSR Committee shall be convened by the Secretary of the CSR Committee in consultation with the CSR Committee's Chairman.

Meeting agendas and papers shall be sent to each member of the CSR Committee and any other attendee no less than 7 days prior to the meeting. A meeting of the CSR Committee may be called at shorter notice with the consent of all the members of the CSR Committee.

The quorum for any meeting of the Committee shall be majority members of the CSR Committee. The CSR Committee is not habilitated to take decisions but only to form opinions and views.

The views the Committee shall be recommendatory in nature only and accordingly the views of all the Members of the Committee present shall be presented to the Board. The Board's decision in relation to any matter so arising shall be final.

CSR Policy Governance and Monitoring

The Company's CSR Policy is governed by the Board of Directors of the Company and shall be monitored by the CSR Committee.

This CSR Policy has been issued pursuant Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII, as amended from time to time ("**CSR Regulations**") and has been recommended by the CSR Committee and adopted by the Board of Directors of the Company.

The activities undertaken by the Company pursuant to the CSR Policy are not expected to lead to any additional surplus beyond what would accrue to the Company in the course of normal operations.

The CSR Committee follows a transparent monitoring mechanism for ensuring implementation of the CSR activities, projects and programs of the Company. Such mechanism includes, *inter alia*, the following measures:

(i) appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by implementing agencies, if any, and expenditures will be undertaken on a regular basis by the CSR Committee and the same will be made available to the Board of Directors of the Company;

(ii) CSR activities, projects and programs undertaken by the Company will be reported in the Board's Report of the Company in the manner prescribed under the CSR Regulations;

(iii) the CSR Committee and persons /entities authorised by it in this behalf, will conduct due diligence checks on the CSR activities, projects and programs being undertaken by the Company on a quarterly basis and report anomalies, if any, immediately;

(iv) based on analysis of CSR activities, projects and programs currently being or proposed to be undertaken by the Company, the CSR Committee will plan for allocation of budget and selection of activities, projects and programs. The same will be done at least once in every financial year.

CSR Activities, Projects and Programs

The following shall be considered while determining the CSR activities, projects and programs to be undertaken by the Company:

(i) all CSR activities, projects and programs shall be undertaken in India. The CSR Committee will identify and give preference to CSR activities, projects and programs to benefit people residing in or near the Company's primary area of operations. The CSR Committee will ensure that the activities, projects and programs undertaken by the Company are in compliance with the requirements set out in this CSR Policy and the CSR Regulations;

(ii) CSR activities, projects and programs which will benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with the CSR Regulations;

(iii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act shall not be considered as CSR activity; and

(iv) CSR activities, projects and programs will not include activities undertaken by the Company in pursuance of normal course of business of the Company.

The Company's CSR activities along with their execution modalities and implementation schedules have been set out below. The Company may take up other CSR activities as may be deemed appropriate by the CSR Committee subject to approval of the Board of Directors of the Company.

S. No.	Company's Initiative	Entry under Schedule VII	Modalities of Execution	Implementation Schedule

Allocation of Funds and Surplus of CSR Activities

In accordance with the CSR Regulations, the Company is committed to spend at least 2% of its average net profits made during the previous 3 (three) immediately preceding financial years on one or more of the identified activities under Schedule VII.

Surplus, if any, arising out of the Company's CSR activities shall not form a part of business profits of the Company.

The Company may build CSR capacities of their own personnel as well as those of their implementing agencies, if any, through Institutions with established track records of at least 3 (three) financial years but such expenditure, including expenditure on administrative overheads, shall not exceed 5% of total CSR expenditure of the Company in 1 (one) financial year.

If the Company ceases to be covered under Section 135(1) of the Act for 3 (three) financial years, then it shall not be required to comply with the provisions laid down under Section 135 sub-sections (2) to (5) till such time it meets the criteria specified in Section 135(1) of the Act.

CSR Activities through a Trust, Society or Otherwise

The Board of Directors of the Company may undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established under Section 8 of the Act by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that:

(i) if such trust, society or company is not established by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of 3 (three) years in undertaking similar programs or projects; and

(ii) the Company has specified the activities, project or programs to be undertaken through these entities, the modalities of utilisation of funds on such activities, projects and programs and the monitoring and reporting mechanism.

The Company may also collaborate with other companies for undertaking projects or programs or CSR activities so along as the CSR Committees of the respective companies (including the Company) are in a position to report separately on such projects or programs in accordance with the CSR Regulations.

Amendments to the Policy

The Board of Directors of the Company may on its own or on recommendations of CSR Committee amend this CSR Policy, as and when required. All provisions of this CSR Policy will be subject to amendment(s), from time to time, to the relevant provisions of the Act, any rules and regulations made thereunder including Schedule VII thereto.