

Shapoorji Pallonji Pandoh Takoli Highway Private Limited

Corporate Social Responsibility Policy (Approved as on January 29, 2024))

1.0 Preamble:

Shapoorji Pallonji Pandoh Takoli Highway Private Limited ("SP Pandoh") was incorporated in 2017 under the Companies Act, 2013. The Company is engaged into construction of Four Laning Highway on NH – 21 in Himachal Pradesh, Project on Hybrid Annuity including operation and maintenance of the Project.

2.0 CSR Vision:

To be a Socially Responsible Organization.

3.0 Our Belief:

SP Pandoh is committed to enriching people's lives in area around its operations and in being environmentally responsible. For SP Pandoh business is as much about integrating societal, economic, and environmental obligations as it is about creating valuable business proposition.

4.0 Objectives of CSR Policy:

The core objective of CSR policy of SP Pandoh is to promote social upliftment of people living in geographical areas where it operates. SP Pandoh CSR Policy is also in compliance with the provisions of Section 135 of the Companies Act, 2013 ("**the Act**") and the Companies (Corporate Social Responsibility Policy) Rules 2014 (hereinafter referred to as "**CSR Rules**"), as amended from time to time.

5.0 Exemption from Constituting of CSR Committee:

As per the provisions of Section 135(9) of the Act, if the amount to be spent by a company does not exceed Rupees Fifty Lakh, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under the aforesaid section shall, in such cases, be discharged by its Board of Directors.

Since, the amount to be spent by SP Pandoh does not exceed Rupees Fifty Lakh, SP Pandoh is not required to constitute Corporate Social Responsibility Committee and all the functions of such Committee shall be discharged by its Board of Directors.

6.0 Responsibility of Board of Directors:

The Board of Directors shall be responsible for -

- I. Formulating and approving the CSR Policy which shall indicate the activities to be undertaken by SP Pandoh including activities from the list of activities described in Schedule VII of the Companies Act 2013 as amended from time to time and disclose contents of CSR Policy in its report;

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- II. Formulating, an annual action plan in pursuance of the CSR policy, which shall include the following,
 - a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - b. The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of CSR Rules.
 - c. The modalities of utilisation of funds and implementation schedules for the projects or programmes.
 - d. Monitoring and reporting mechanism for the projects or programmes.
 - e. Details of need and impact assessment, if any, for the projects undertaken by the company.
- III. Reviewing report on implementation of CSR projects / programs / activities.
- IV. Reviewing and modifying CSR Policy whenever required.
- V. Ensuring that the CSR projects / programs / activities are undertaken as per the CSR Policy.
- VI. Ensuring that the SP Pandoh spends, in every financial year, at least two per cent of the average net profits of the SP Pandoh made during the three immediately preceding financial years, in pursuance of its CSR Policy.
- VII. Ensuring that preference is given to the geographical areas, however not limited to around the operations of SP Pandoh, for spending the amounts earmarked towards CSR projects / programs / activities.
- VIII. Ensuring that surplus, if any, arising after implementation of the CSR projects / programs / activities does not form part of the business profit of the SP Pandoh.
- IX. Ensuring that in the event SP Pandoh fails to spend the entire amount identified towards CSR projects / programs / activities, an Annual Report on CSR Activities shall specify the reasons for not spending such amount and such unspent amount shall be dealt with in accordance with the applicable provisions of the Companies Act, 2013 and Rules framed and amended thereunder from time to time.
- X. Ensuring that the Board's Report pertaining to the Financial Year shall include an Annual Report on CSR with particulars as specified in CSR Rules; and
- XI. Taking all such decisions which have not been articulated in the CSR Policy but are necessary for fulfillment of the CSR objectives as per the law and the policy.

7.0 Thrust Areas for CSR Activities:

From the activities described in Schedule VII of the Companies Act 2013 as amended from time to time, SP Pandoh has identified following broad areas for taking up CSR Projects / Programs / Activities around its geographical areas of operation:

- I. Improve quality of Life: Affordable quality healthcare, Providing financial assistance to Hospitals and educational institutions, safe drinking water and sanitation.

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- II. Preserve the environment: Reducing carbon footprint, increasing green cover, and promoting biodiversity and Wildlife Conservation.
- III. Educating future leaders: Facilitating knowledge & skills training to underprivileged children, young adults, and tribal communities
- IV. Promote inclusion and development: Empowering Women, differently abled youth, enabling livelihood opportunities for the underprivileged and financial inclusion for labour.
- V. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen 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 schedule caste, tribes, other backward classes, minorities, and women.

However, the Board of Directors may also recommend project / program / activities not listed above but described in Schedule VII.

8.0 Mechanism for Implementation of CSR Projects:

- I. A CSR Team (CSRT) shall be constituted for implementation monitoring and reporting of progress of CSR project / program / activities, wherever required. CSRT work will be coordinated and supervised by Mr. Rahul Parmar.
- II. In each Financial Year, the Board of Directors shall review and approve the Annual Action Plan towards CSR project / program / activities.
- III. CSRT shall select projects / programs / activities in thrust areas listed at Section 7.0 above and make Annual Action Plan.
- IV. CSRT shall arrange to get / formulate proposals for each of the project / program / activity detailing the following –
 - a) Description of project / program / activity proposed.
 - b) Sector in Schedule VII in which the project / program / activity is covered.
 - c) Geographical area of execution & the reason for selecting that area
 - d) Annual Action Plan details (detailed cost break-up)
 - e) Execution/Implementation Plan (with specific time-frame)
 - f) Monitoring plan (with specific time-frame)
 - g) Envisaged outcome / benefits (to be quantified)
- V. On approval of the Board of Directors, the CSRT shall arrange to implement the project / program / activity, seek completion certificate and obtain / prepare expenditure certificate.

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- VI. The implementation of the CSR activities / projects shall be carried out through initiatives and drives undertaken by the company's offices and teams at project sites. With a view to give thrust to certain CSR activities and projects the company will also have a collaborative effort and will pool resources with other companies of Shapoorji Pallonji Group (under Group CSR activities / programme).

9.0 Reporting of CSR Activities:

CSRT shall arrange to prepare Activity Report (with photographs) for each financial year and submit the same to the Board of Directors of the Company.

The report shall include –

- a) Description of project / program / activity
- b) Sector as per Schedule VII
- c) Location of the project
- d) Amount outlay in Annual Action Plan
- e) Amount spent (direct expenses and overheads)
- f) Cumulative spend up to the reporting period.
- g) If amount spent through third party, then details of such party
- h) Benefits envisaged vis-à-vis actually achieved.

Mr. Rahul Parmar shall compile and prepare an Annual report on CSR activities for inclusion in the Board Report as per the format specified in CSR Rules as amended from time to time.

For Shapoorji Pallonji Pandoh Takoli Highway Private Limited



Sanjay Date
Director
DIN: 06934651

Date: January 29, 2024