

VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED

Corporate Social Responsibility (CSR) Policy

- I. Short title:** This policy in relation to the Corporate Social Responsibility (“CSR”) of Varanasi Sangam Expressway Private Limited (“VSEPL”) and is titled as the “CSR Policy” and shall include any alterations, amendments or modifications hereto from time to time.

II. Definition and interpretation

- 1) “Board” means the Board of Directors of VSEPL
- 2) “Company” means Varanasi Sangam Expressway Private Limited or VSEPL
- 3) CSR activities means programmes and projects as may be approved by the Board in accordance with this policy
- 4) “CSR Committee” means a committee constituted by the Board of Directors in line with the Section 135 of the Companies Act 2013, CSR Rules 2014 and subsequent notifications / clarifications
- 5) “CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014
- 6) “CSR Expenditure” means the amount as approved by the Board to be incurred for CSR projects and programmes in India and as per the Act and the CSR Policy as approved and amended by the Board from time to time
- 7) “Director” means a member of the Board of the Company
- 8) “Implementing Agency” means a potential / existing partner of VSEPL for CSR project / programme implementation
- 9) “Net Profits” means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act (or the provisions of the Companies Act, 1956, if then applicable), but shall not include (i) any profit arising from any overseas branch or branches of the Company (whether operated as a separate company or otherwise); and (ii) any 2 dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
- 10) “Act” means the Companies Act 2013
- 11) “Society” means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
- 12) “Trust” means a trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.
- 13) Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

III. Objective and Applicability

VSEPL recognises the impact its business operations have on the society and also agrees that it has an obligation towards the society for holistic development. CSR at VSEPL takes into account the interests of the company’s various stakeholders including but not limited to the communities near VSEPL’s project sites, VSEPL’s employees, and other external organisations involved with the company’s overall operations. Towards the fulfilment of its objectives, VSEPL would undertake both short term and long term VSEPL projects.

IV. Implementation of CSR Policy

- 1) The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules.
- 2) Mode of Implementation: The CSR Activities may be undertaken by the Company directly, through external implementation agencies in line with the regulations of the Act and CSR Rules. The external agency may be VSEPL's own not for profit entity or other renowned NGOs which maybe a Trust, or a Society or a company established under Section 8 of the Act with an established track record of three years in undertaking similar programs or projects; and/ or
- 3) The Board shall approve the projects / programmes recommended by the CSR committee. Post approval Memorandum of Understanding (MoU) would be signed with the approved agencies for the approved projects / programmes for a specific amount, time period and targets.

V. CSR Committee

- 1) The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.
- 2) The CSR Committee shall be tasked with identifying projects and partners that the company may support in line with its CSR policy and the Act and the CSR Rules. The CSR Committee shall also be responsible for monitoring the performance of the CSR projects and reporting the same to the Board
- 3) The CSR Committee shall consist of three or more directors of the Company, out of which one director shall be independent. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.
- 4) The CSR Committee shall hold meetings which shall be attended by minimum of two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.
- 5) All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/ interpretation shall rest with the Board.
- 6) No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.

VI. CSR Expenditure

- 1) The CSR Committee shall recommend the amount of CSR Expenditure to be incurred in a year, in accordance with the Act and the Rules
- 2) The Board shall ensure that the CSR Expenditure in a financial year is at least at two per cent of the average Net Profits of the Company made during the three immediately preceding financial years.

- 3) The Board shall be responsible for sanctioning the CSR Expenditure and taking steps to ensure that the amount for the CSR Expenditure is available for application towards the CSR Activities
- 4) Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in line with this CSR Policy.
- 5) In order to count towards CSR Expenditure, CSR Activities must be carried out in India and should not be solely for the benefit of the employees of the Company and / or their families.
- 6) Any amounts contributed directly or indirectly to any political party under Section 182 of the Act will not count towards CSR Expenditure or considered a part of CSR Activities.
- 7) Any amounts expended while undertaking activities in pursuance of normal course of business of a Company or on an item not in conformity or in line with activities set out in Schedule VII of the Act, will not form a part of CSR Expenditure.
- 8) Board shall ensure that expenditure, if any incurred towards capacity building exercise internally or of Implementing Agencies through institutions with established track record of at least three financial years, as the case may be, shall not exceed five percent of the CSR Expenditure in one financial year.

VII. CSR activities

- 1) The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:
 - i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
 - ii. Promoting education, including special education and employment enhancing vocation skills especially among children, woman, 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 back ward groups;
 - iv. 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;
 - 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 arts and handicrafts;
 - vi. Measures for the benefit of armed forces veterans, war windows and their dependents;
 - vii. Training to promote rural sports, nationally recognized 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 Government for social-economic development and relief and welfare of the Scheduled Castes, the Scheduled 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 Government;

- x. Rural development projects;
 - xi. Such other activities as may be specified under the Act or the CSR Rules from time to time.
- 2) The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.
 - 3) Based on the scope of activities set out in paragraph VII (1) above, the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.
 - 4) The Board shall ensure that appropriate designated staff or personnel provide adequate assistance (viz. data collection, survey, quotations and costs involved etc) to the CSR Committee to enable it to make necessary recommendations to the Board. For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
 - 5) The following details of any CSR Activities to be undertaken by the Company shall be presented to the Board by the CSR Committee along with its recommendations:
 - i. The objectives and expected results of the CSR Activity;
 - ii. The relevant sector and the nature of the CSR Activity;
 - iii. The focus area/ location for implementation of the CSR Activity;
 - iv. The amount to be allocated towards the CSR Activity;
 - v. The indicative timelines for completion of the CSR Activity;
 - vi. Whether the CSR Activity should be undertaken by any Implementing Agency or in collaboration with any other company; and
 - vii. Such other details as it may deem necessary.
 - 6) In case any of the CSR Activities to be undertaken are anticipated to be long term, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.
 - 7) Based on the recommendations of the CSR Committee, the Board shall approve the following:
 - i. The specific CSR Activities that should be undertaken by the Company from time to time;
 - ii. The amount that should be deployed towards such CSR Activity;
 - iii. Whether the CSR Activities will be undertaken directly by the Company or through an Implementing Agency or in collaboration with any other companies [and record reasons for the same].

VIII. Monitoring process

- 1) To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount sanctioned towards CSR Activities should be reported by the Implementation Agency to the Board as well the CSR Committee on an annual basis in such manner as the Board may direct.
- 2) In the event any of the CSR Activities are undertaken through an Implementing Agency, the Implementation Agency should obtain relevant information on such CSR Activity to be submitted to the Board as well the CSR Committee on an annual basis in such manner as the Board may direct.

- 3) Upon receipt of such progress report by the Implementation Agency, the CSR Committee may review and deliberate upon such reports and provide such inputs or recommendations, as it may deem necessary, to the Board.
- 4) Notwithstanding anything to the contrary, the Board shall not be obliged to comply with the recommendations of the CSR Committee.

IX. Reporting

- 1) The CSR Committee shall conduct review meeting atleast twice a year to discuss on the progress on the programmes / activities. The Implementing Agency shall present the programme progress to the Committee as per formats prescribed by the Committee.
- 2) The CSR Committee shall maintain proper minutes of all its meetings.
- 3) The Board's report of the Company shall include an annual report on CSR containing the particulars set out in Annexure A to this CSR Policy and such other details as may be prescribed from time to time under the Act and the CSR Rules
- 4) The Board will be responsible to ensure that:
 - i. The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
 - ii. The contents of the latest and updated version of the CSR Policy is included in the report of the Board;
 - iii. The contents of such policy are also made available on the website (if any) of the Company as per the particulars specified in the Annexure A.
 - iv. In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

X. Amendment

- 1) The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

ANNEXURE -A**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

- 1 Brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
- 2 The Composition of the CSR Committee.
- 3 Average net profit of the company for last three financial years
- 4 Prescribed CSR Expenditure (two per cent, of the amount as in item 3 above)
- 5 Details of CSR spent during the financial year.
 - a. Total amount to be spent for the financial year;
 - b. Amount unspent, if any;
 - c. Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project /activity	Sector in which the project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programmes. (2) Overheads:	Cumulative expenditure up to the reporting period.	Amount spent: Direct or through implementing agency
1.							
2.							
3.							
4.							
5.							
	Total						

- 6 In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
- 7 A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.