

Corporate Social Responsibility Policy

As per Companies Act, 2013

NAGPUR SEONI EXPRESS WAY PRIVATE LIMITED

(Formerly Nagpur Seoni Express Way Limited)

The Board of Directors of the Company had constituted the “Corporate Social Responsibility Committee” under the provisions of Companies Act, 2013.

1. OBJECTIVE

To have a Corporate Social Responsibility (CSR) policy in place as recommended by the Corporate Social Responsibility Committee in compliance with provisions of Section 135 of the Companies Act, 2013 (the “Act”), Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Act.

The Key Objectives of this CSR policy would be to actively contribute to the social and economic development of the communities in which we operate by taking up CSR activities falling under the purview of Schedule VII of the Act.

2. SCOPE OF CSR POLICY

The scope of this CSR policy will extend to all those CSR initiatives that are proposed to be taken up by the Company which falls under the purview of Schedule VII of the Act.

3. KEY FOCUS AREAS

The CSR policy allows to focus on areas indicated under Schedule VII of the Act subject to evaluation of the CSR activities by the CSR Committee & Board, and such other CSR activities as may be prescribed by the Central Government from time to time.

4. GOVERNANCE

The CSR Governance structure of the Company comprises the CSR Committee and the Board of Directors of the Company. The Company can undertake CSR activities either by itself or through other entities eligible to undertake CSR activities under Applicable Law.

BOARD

- The Board monitors and reviews the performance and impact of the CSR programmes, provides input and course corrections if required and satisfies itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner as approved by it.
- The Chief Financial Officer or the person responsible for financial management shall certify to the fact that CSR funds so disbursed have been utilized for the purposes and in the manner approved by the Board.

CSR COMMITTEE

The CSR Committee of the Company shall consist of minimum three Directors, out of which at least one director shall be an Independent Director.

Provided that where a company is not required to appoint an independent director under section 149(4) of the Act, it shall have in its Corporate Social Responsibility Committee Two or more Directors.

The CSR Committee provides oversight and guidance on CSR performance and monitor compliance with the CSR Policy, commitments and the applicable CSR provisions.

The role & responsibilities of CSR Committee as per the Act are:

- Formulation and recommendation to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company;
- Monitoring the CSR policy of the Company from time to time;
- Recommendation to the Board of the annual CSR expenditure budget;
- Undertake impact assessment through third parties for CSR projects whenever applicable;
- Formulation and recommendation to the Board of an annual action plan;
- Recommendation of any alteration in the annual action plan at any time during the year and update, if any, required to the CSR Policy;
- Implementation and Monitoring of the CSR activities as per the annual action plan and within the applicable framework;
- Identification and implementation of multi-year CSR projects / programs ("Ongoing Projects") will be monitored by the CSR Committee and the Board of Directors of the Company ("the Board"), as required under Applicable Law.
- Determine the overall scope of, provide input on, and recommend adoption of the CSR report to the Board of Directors of the Company;
- Performance of such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

5. FUNDING, SELECTION, IMPLEMENTATION AND MONITORING PROCESS

A. Funding obligation:

The Board of the Company to ensure that 2% of average net profits during the three immediately preceding financial years is spent on CSR initiatives undertaken by the Company. If the Company spends any amount over and above such 2% of average net profits, the same is to be considered

as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

In order to compute whether the Company has under spent or over spent, the Company shall consider the following:

- a. Project Cost – it shall include designing, implementation, monitoring and evaluation cost incurred directly or indirectly on the project.
- b. Administrative Overheads – to ensure that such expenses shall not exceed 5% of the total CSR expenditure of the company for the financial year. Further, these expenses would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation.

B. Selection of activities:

The CSR Committee will evaluate proposals by assessing their potential impact. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

C. Implementation

The Company can undertake CSR activities by itself or through:

- a) a registered trust or a registered society, the CSR projects/programmes/activities in identified areas and as per the provisions of the Act and Rules, framed thereunder.
- b) An international organization for designing, monitoring and evaluation of the CSR projects or programs or other implementing agencies through institutions with a track record of at least three financial years, and any other criterions which the CSR committee, may deem fit.
- c) may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs.

The following Implementation mechanism can be followed by the CSR committee:

- a) The Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect. The person authorized for CSR activity is required to provide a report to the CSR committee on completion of the same.
- b) In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

D. Guiding Principles for Implementation and Monitoring:

- a. Accountability and Transparency – Implementing agency shall be accountable for all expenses along with the acknowledgements. Further, there should be transparency in the actions to protect the interest of all the stakeholders.
- b. Ethical Behaviour – Management and Implementing agency shall maintain ethical behaviour while implementing and monitoring CSR programs without any corruption.
- c. No conflict of interest – There shall be no conflict of interest in the objectives of employees involved in CSR activities and the objectives of implementing agencies, both of them should work for benefits of the needy.
- d. Respect for stakeholder's interest – While identifying CSR programs, interest of all the stakeholders shall be taken into consideration.

6. GUIDING PRINCIPLES FOR ANNUAL ACTION PLAN:

The Company shall prepare an Annual Action plan of the Company to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned in the rules.

Further, the guiding principles required to formulate the Annual Action Plan are as follows:

- a. CSR programs shall not include activities as restricted under the amended CSR Rules. The preference is to be given to local areas and areas around its operations.
- b. The CSR activities may be carried out directly or through implementing agency/ies.
- c. Payments to implementing agencies / vendors should be milestone based.
- d. Action plan shall be simple, action oriented, measurable, relevant and time bound.

During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved project(s).

Subject to the provisions of the Act, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset.

7. LIMITATION AND AMENDMENT

The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes/modifications and/or amendments to this Policy from time to time.

Requirements with respect to quorum, notice of meeting, documentation, etc shall be in conformity with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government, unless expressly stated otherwise.

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.