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CORPORATE SOCIAL RESPONSIBILITY POLICY OF TGV SRAAC LIMITED

I. INTRODUCTION :

As a matter of company philosophy and as a matter of good Corporate Governance and well being of all stakeholders the company is following these provisions even before its notification by the Companies Act.

The Corporate Social Responsibility policy (CSR Policy) had been framed in accordance with the applicable provisions of the Companies Act, 2013 and the rules issued thereunder. The CSR Policy lays down the guidelines for undertaking programmes towards social welfare activities.

II. DEFINITIONS :

1. "Company" means TGV SRAAC Limited.
2. "CSR Activities" means such programs and projects as may be approved by the Board in terms of this policy.
3. "Board" means the Board of Directors of the Company.
4. "CSR Committee" means a committee constituted by the Board of Directors in terms of Section 135 of the Companies Act, 2013 and CSR Rules.
5. "CSR Expenditure" means the amount recommended by the CSR Committee to be incurred on CSR activities in India as per Companies Act, 2013 and CSR Rules as approved by the Board from time to time.
6. "Net Profits" means the net profits of the Company as per its financial statement prepared in accordance with applicable provisions of the Act, but shall not include any dividend received from other companies in India which are covered under and complying with the provisions of Section 135 of the Act.
7. "Implementing Agency" means section 8 companies, registered public trusts, and registered societies.
8. "Society" means a society registered under the Societies Registration Act, 1860.
9. "Trust" means a public charitable trust registered under Indian Trust Act, 1882.

Any term not defined above shall have same meaning assigned to it under the Act or CSR Rules.

III. IMPLEMENTATION OF THE POLICY :

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 Companies Act, 2013 and Rules and the annual action plan formulated and recommended by the CSR Committee.



The CSR activities may be undertaken by the Company directly or through implementing agencies i.e., trusts and societies registered with the Central Government and having unique CSR Registration Number with effect from April 1, 2021.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects, programmes, activities in accordance with these rules.

IV. CSR COMMITTEE:

The CSR Committee shall be responsible for providing

- a. recommendations to the Board with respect to CSR activities that may be undertaken by the Company in accordance with this policy, Act and Rules.
- b. formulating and recommending CSR activities
- c. Recommend amount of expenditure
- d. Monitor CSR Policy implementation
- e. Engage with the community to collect grievances, if any and plan redressal in consultation with the Management/Board
- f. Formulate annual action plan

Constitution of committee: This committee will be constituted with atleast 3 Directors and one shall be independent director.

V. CSR EXPENDITURE:

1. CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
2. The Company shall spend upto 2% of the "net profit" of the Company for the purpose of CSR programs / activities. Further, if company spends any excess amount then the said 2% of net profits during any financial year such excess may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
 - a. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule; and
 - b. the Board of the company shall pass a resolution to that effect.



However, if the company doesn't spend the required 2% of its net profit during any of the financial year then the same shall be transferred to the fund specified in Schedule VII of the Companies Act, 2013 within a period of six months of the expiry of the financial year unless such unspent CSR funds are attributable/ allocated towards completion of such on-going projects as approved by the Board.

Further, any such unspent CSR amount of on-going projects shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three 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 thirty days from the date of completion of the third financial year.

3. Administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
4. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
 - a. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - b. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c. a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule however this period can be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

VI. CSR ACTIVITIES:

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 poverty, malnourishment and hunger, promoting health care which includes preventive health care and sanitation and making available safe drinking water.



- ii. Promoting education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently-abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, measures for reducing inequalities faced by socially and economically backward groups.
- iv. Safeguarding environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining a quality of soil, air and water which also includes a contribution for rejuvenation of river Ganga.
- 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. Areas for the advantage of skilled armed forces, war widows and their dependents.
- vii. Training to stimulate 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 socio-economic development providing relief and welfare of the Scheduled Castes, the Scheduled and backward classes, minorities and women.
- ix. Contributions or funds provided to technology incubators are approved by the Central Government.
- x. Rural development projects.
- xi. Disaster management, including relief, rehabilitation and reconstruction activities.
- xii. Slum area development where 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- xiii. Poverty alleviation or eradication, social security, feed the hunger and community development.

VII. GOVERNANCE

1. Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year, Action Plan and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
2. 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 it may deem fit.



3. 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.
4. The persons/agencies to whom the implementation is assigned will carry out such CSR Programmes as determined by the CSR Committee within the specified budgets and timeframes and report back to the CSR Committee, through the Company Secretary, if any on the progress thereon at such frequency as the CSR Committee may direct.
5. The CSR Committee shall review the implementation of the CSR Programmes and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
6. 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.
7. The Committee will ensure effective community engagement periodically and collect grievances if any, and plan the redressal in consultation with the Management/Board.
8. At the end of every financial year, the CSR Committee will submit its report to the Board.

VIII. REPORTING AND RECORD KEEPING:

The CSR Committee shall maintain proper minutes of all its meetings. The Board's report of the Company shall include an annual report on CSR. Appropriate statement in standard format containing CSR details shall be annexed to the Directors Report forming part of Annual Report. Further, Form CSR-2 shall be filed with ROC annually.

IX. AMENDMENT:

The Board of the Company may subject to compliance with applicable law may amend, alter or modify this policy as the law always prevails over company policy.

Board approval	Date
Approved by Board	26.05.2014
Revised and renewed by Board	29.05.2023

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For TGV SRAAC LIMITED


V. RADHAKRISHNA MURTHY
C.G.M. And Company Secretary