



GMR POCHANPALLI EXPRESSWAYS LIMITED.

CIN: U45200KA2005PLC049327

Corporate Social Responsibility Policy

Preamble

The Ministry of Corporate Affairs has enacted the Companies Act, 2013 replacing the old law, the Companies Act, 1956, regulating the Companies in India.

As per Section 135 of the Companies Act, 2013 (Act) read with the Companies (Corporate Social Responsibility) Rules, 2014 (CSR Rules), every Company having net worth of Rs. 500 Crore or more or turnover of Rs. 1,000 Crore or more or a Net Profit of Rs. 5 Crore or more during the immediately preceding Financial Year shall constitute a Corporate Social Responsibility Committee of the Board and shall continue to have such Committee till the time company requires to have such Committee under Section 135 of the Act read with CSR Rules or as may be decided by the Board.

The Section also requires to formulate a CSR Policy, which shall indicate the activities to be undertaken by the Companies as specified in Schedule VII of the Companies Act, 2013.

Further, the section also requires that the Board of Directors shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The Company has been working with the communities neighboring Pochanpalli Expressways Region. The key thrust areas are (i) Education; (ii) Health, Hygiene & Sanitation; (iii) Empowerment, Livelihoods and Community Development. Implementation of various activities under these three verticals is being carried out directly by the Company or with the professional support of M/s GMR Varalakshmi Foundation (**Implementing Agency**) from planning to execution.

In the above background and as mandated by provisions of the Companies Act, 2013, the following is the CSR Policy of the Company.

Corporate Social Responsibility (CSR) Policy

The Company forming part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group (the Group) recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations.

The Company is driven by Group's vision to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Group including the Company, through GMR Varalakshmi Foundation (GMRVF), partners with the communities around the businesses to drive various initiatives in the areas of (i) Education, (ii) Health, Hygiene and Sanitation, (iii) Empowerment, Livelihood and Community Development.

Guiding Principles for selection & Implementation of projects / programs under CSR Policy:

The Company will carry out its CSR activities on its own or contribute funds to GMRVF or any other eligible implementing agency, to carry on activities / multiyear projects or programs as indicated below. While the geographic focus of the CSR activities can be in and around the business operational area, the

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company can support activities in any part of India, as per the Annual Action Plan, approved by the CSR Committee and the Board.

i) **Education:**

- Support for promotion of education of all kinds (school education, technical, higher, vocational and adult education), to all ages and in various forms, with a focus on vulnerable and underprivileged;
- Education for girl child and the underprivileged by providing appropriate infrastructure and groom them as future citizens and contributing members of society;

ii) **Health, Hygiene and Sanitation:**

- Ambulance services, mobile medical units, health awareness programs and camps, medical check-ups, HIV/AIDS awareness initiatives, health care facilities and services, sanitation facilities;
- Eradicating hunger, poverty and malnutrition, promotion of health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation, and making available safe drinking water;
- Reducing child mortality and improving maternal health;

iii) **Empowerment & Livelihoods and Community Development:**

- Employment enhancing vocational skills training, marketing support and other initiatives for youth, women, elderly, rural population and the differently abled, and livelihood enhancement projects;
- promoting gender equality, empowering women, working for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Assist in skill development by providing direction and technical expertise for empowerment;
- Encouraging youth and children to form clubs and participate in community development activities such as like cleanliness drives, plantation drives, etc.;

iv) **Environmental sustainability:**

- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

v) **Heritage and Culture:**

- 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) **Benefit to Armed Forces:**

- measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

vii) **Sports:**

- training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

viii) Contribution to Funds set up by Government:

- 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 funds for the welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;

ix) Contribution towards Science and Technology:

- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and Autonomous Bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).;

x) Rural Development:

- rural development projects;

xi) Slum Area Development:

Explanation: '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.

xii) Disaster management:

- Disaster Management, including relief, rehabilitation and reconstruction activities.

xiii) such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by CSR Committee/Board from time to time, which are not expressly prohibited.

It may be noted that the above activities are indicative and are activities that the company may at any point of time engages but all such activities may not be taken up by the Company during the year. While the activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act 2013, the entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the amended Schedule VII of the Act, are broad-based and are intended to cover a wide range of activities.

The expenditure incurred for the following activities shall not be treated as CSR activity by the Company:

- (i) Activities undertaken in pursuance of the normal course of business;
- (ii) activities undertaken outside India (*except for training of Indian sports personnel representing any state or union territory at national level or India at international level*);

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- (iii) activities that benefit exclusively the employees of the company;
- (iv) Contribution to political parties;
- (v) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act, etc.)

Surplus from CSR Activities:

Any surplus arising out of the CSR activity shall:

- (i) not form part of business profits of the Company;
- (ii) should be ploughed back into the same project from which it has generated or shall be transferred to Unspent CSR Account of the Company, maintained separately for such surplus;
- (iii) Should be spent within 3 years from the date of such transfer to the Unspent CSR Account or transfer to a Fund specified in Schedule VII within a period of 6 months from the expiry of the financial year as decided by the CSR Committee and as per the Annual Action plan of the company;
- (iv) Should not form part of Excess amount available for set-off with CSR obligation in immediately succeeding financial years.

Monitoring of CSR Activities

At the beginning of each financial year, the Board/CSR Committee of the Board will prepare a list of CSR Projects/ Activities/Programs which the Company proposes to undertake during the financial year, specifying the modalities of execution in the areas/sectors chosen with implementation schedules for approval of the Board.

The Board/CSR Committee of the Board will devise a mechanism for various CSR Projects / Programs / Activities undertaken by the Company including conduct of impact studies of CSR Projects / Programs on a periodic basis, through independent third party agencies according to the CSR Rules.

The Board/CSR Committee will convene a meeting at least once every year to approve and review the progress of CSR projects, if applicable and monitor, review and evaluate the operations of the CSR Programs at such frequency as it may deem fit to ensure orderly and efficient implementation of the CSR Programs in accordance with the CSR Policy. The composition of CSR committee, the CSR Policy and Projects approved by the Board will be uploaded on the Company's website so that it is available in the public domain.

The Company's approach to the above CSR activities or projects may also be based on partnership with the Government or like-minded not for profit organizations, agencies, etc.

The Company may carry out an impact assessment to know the results of its CSR activities being undertaken by the Company and review periodically to identify and assess the gaps, if any, in the approach and attend to mid-course corrections.

Annual Action Plan:

The CSR activities can be undertaken either specific for a one year or can undertake period to multi-year projects. The Board/ CSR Committee of the Board, if any, every year will approve/recommend an Annual Action Plan respectively. This Annual Action plan with detail the following:

(a) The list of CSR projects or programs 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 programs;

(c) The modalities of utilization of funds and implementation schedules for the projects or programs;

(d) Monitoring and reporting mechanism for the projects or programs;

(e) Details of need and impact assessment, if any, for the projects undertaken by the company: Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

Amendment:

Any amendment or modification in the Companies Act, 2013 and any other applicable regulations relating to the CSR Policy shall automatically be applicable to the Company.

Background of GMRVF

About GMR Varalakshmi Foundation:

GMR Varalakshmi Foundation (GMRVF) is the Corporate Social Responsibility arm of the GMR Group. Its mandate is to develop social infrastructure and enhance the quality of lives of communities, especially those around the locations where the Group has a presence. Its Vision is to make sustainable impact on the human development of underserved communities through initiatives in education, health and livelihoods.

GMRVF is a Section 8 (not-for-profit) company registered under Section 12A and 80G of the Income Tax Act, 1961 and with requisite track record as required under the Companies Act, 2013, read with the applicable Rules. It is governed by a Board chaired by the Group Chairman, GMR Group. It has its own professional staff drawn from top educational and social work institutions. GMRVF has been in existence for nearly two decades.

GMRVF is organized in three wings: The Education Wing sets up and runs quality educational institutions, from pre-school to post-graduate level, towards making quality education accessible to all sections of the community, especially in under-served areas; the Health Wing sets up and runs healthcare establishments to provide quality healthcare in under-served areas; the Community Services Wing works with underprivileged communities to enhance their lives and livelihoods. The Community Services Wing has staff of qualified and experienced social work professionals.