

**CSR POLICY
OF
GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED**

PREAMBLE :

Corporate Social Responsibility (CSR) is based on the concept that corporate success and social welfare are interdependent. For the society to thrive businesses must create opportunities for philanthropy and sustainability. The Company too believes in making a positive difference to the society.

SCOPE AND OBJECTIVE OF THIS POLICY

The purpose of this policy document is to make the stakeholders aware about:

- CSR and how such activities are conducted in the Company
- Associated practices of CSR.
- Focus areas of CSR.

On August 29, 2013, the President of India provided assent to the Companies Act, 2013 (the “Act”). Pursuant to Section 135 of the Act, CSR provisions are prescribed to stipulate greater responsibility by companies towards the society. As of date, the Company meets the eligibility criteria stipulated in Section 135 (and the Rules framed under the Act) and hence the provisions of the Act, in so far as CSR is concerned, are applicable to the Company

As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of any eligible company (i.e companies meeting the requirements of Section 135 of the Act) shall, after taking into account the recommendations of the CSR Committee, approve the CSR Policy for the company and disclose the contents of such policy in its Report and the disclose the same on the website of the Company

CSR FRAMEWORK

The Company shall constitute a committee by the name “**CSR Committee**” comprising of three directors, one of whom shall be an Independent Director, as defined in the Act.

The terms of reference of the CSR Committee shall include the following:

- a) To frame and recommend to the Board of Directors, a CSR Policy, which shall indicate the activities to be undertaken by the Company towards corporate social responsibilities.

For avoidance of doubt, the CSR Committee may adopt this Policy document *mutatis mutandis*, or with such modifications, alterations or revisions as it may deem fit, as the CSR Policy for its purpose.

- b) The following activities shall be included as part of the CSR activities:
 - promotion of education;
 - promoting gender equality and empowering women;

- reducing child mortality and improving maternal health;
 - ensuring environmental sustainability;
 - employment enhancing vocational skills;
 - social business projects;
 - contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
 - such other matters as may be prescribed.
- c) To recommend the amount of expenditure to be incurred on the activities specified.
- d) To establish a monitoring mechanism so as to monitor the progress of the CSR activities. This will include recording the various details of the CSR activities and preparation of a report on the same. The details to be incorporated in the Report on CSR activities, which shall subsequently be disclosed in the Board Report, shall be as per the format prescribed in **Annexure 1** hereto.
- e) To ensure a constant flow of CSR initiatives, which shall, in-turn, avoid carry-forward of funds allocated for each CSR initiative.
- f) To formalise an operational and organisational structure of each CSR activity.

FUNDING AND IMPLEMENTATION

- a) Pursuant to the provisions of the Act, 2% of the average net profit of an eligible company for the last 3 financial years needs to be allocated towards CSR activities. From the annual CSR Budget, provision will be made towards the CSR activities on a year-on-year basis.
- b) GRICL will ensure monitoring, coordination and supervision of the agency, if any, entrusted with the responsibility for implementation of the project. For efficient and effective execution of the project, the CSR Committee shall be required to get the schedules prepared – Schedule-I (List of activities linked with timelines) & Schedule-II (Payments linked with milestones) which shall form an integral part of the agreement to be signed with the implementing agency.
- c) All approved CSR projects are to be implemented in accordance with the timeline prescribed by the respective CSR Committees.
- d) For implementation of in-house projects, the company's pertinent policies related to works and purchases are to be followed in general.

OPERATIONAL FRAMEWORK

The Act envisages a “CSR Foundation” for CSR initiatives. The Board of a company is empowered to decide to undertake CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company

MONITORING AND REPORTING

The following instructions are to be followed for monitoring and implementation of CSR activities:

- Monitoring of CSR projects are absolutely essential.
- For all CSR projects / activities, close Supervision & Monitoring have to be done by the CSR Committee. The management should therefore provide MIS in the prescribed format and place before the Committee for review every quarter.
- After completion of the Project, a detailed Project Completion report must be prepared by the implementing agency in consultation with the the Company Management, and a copy of the same must be made available to the Board of Directors along with Photographs and Audio/Visual presentations (Progress-based) duly endorsed by the CSR Committee for acceptance.
- The physical status should include photographs (preferably before and after completion of the project) with appropriate branding of the company’s CSR initiative including company logo, name, etc. displayed in the background.
- With a view to derive the optimum mileage/visibility of the various CSR endeavors, appropriate and adequate measures shall be taken using all existent communication tools/media to project the company’s contributions.

Annexure 1

Format for the Annual Report on CSR Initiatives to be included in the Board Report by qualifying companies

- (1) A 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 3 financial years.
- (4) Threshold Limit - (2% of this amount as in 4 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.

Sr. No	CSR project / activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/ others 2. Specify the state/ district (Name of the District/s State/s where the project / programme was undertaken)	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads : 1. Direct expenditure on project 2. Overheads	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementing agency*
1							
2							
	Total						

* Give details of implementing agency

- (7) In case the company has failed to spend 2% of its Average Net Profit (INR) of the last 3 financial years, the Company is required to provide reasons for not spending the amount in its Board Report
- (8) 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.

(CEO/Managing Director/Director)