



SHAR PROJECTS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. OBJECTIVE

The Corporate Social Responsibility Policy ("CSR Policy") of SHAR PROJECTS PRIVATE LIMITED (Shar) has been formulated by the CSR Committee and approved by the Board of Directors at its meeting held on Friday the 1st day of November, 2024.

This policy aims to contribute towards sustainable development of the society and environment to make planet a better place for future generations, the main objectives are to –

- Demonstrate commitment to the common good through responsible business practices and good governance.
- Actively support the State's development agenda to ensure sustainable change and attain development of the nearby society.
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.
- To develop a sense of empathy and equity among employees of Shar to motivate them to give back to the society.

The activities enlisted in this CSR Policy are carried out by the company either individually or in association with eligible Implementing Agencies registered with the Ministry of Corporate Affairs. The CSR Policy is formulated in accordance with the provisions of section 135 of the Companies Act, 2013 and rules made thereunder and other applicable laws to the company

2. EFFECTIVE DATE

This policy shall be effective from the beginning of financial year 2024-25.

3. DEFINITIONS

- I. "Act" means the Companies Act, 2013.
- II. "Board of Directors" or "Board" means the collective body of the directors of the company.
- III. "Company" means "SHAR PROJECTS PRIVATE LIMITED"
- IV. "CSR Committee" means Corporate Social Responsibility Committee constituted by the Board of Directors of the company.
- V. "CSR Policy" means CSR Policy of Shar Projects Private Limited

- VI.** “CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- VII.** “Implementing Agency” means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR Policy or any other agency as may be prescribed by the Central Government.

Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.

4. NEED FOR A CSR POLICY

This CSR policy, which encompasses the company's philosophy for defining its social responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large, protection of environment is titled as the 'Shar CSR Policy'. This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of society as per the approach and direction given by the Board. This policy and the operational guidelines issued herein are subject to and pursuant to the provisions of the Companies Act, 2013 (Act) and the Schedules, rules and regulations made thereunder.

5. CSR VISION

The Company shall carry its normal business in a manner that is beneficial to society & environment in addition to propagation of business.

For Shar, Corporate Social Responsibility (CSR) means responsible business practices with the involvement of all stakeholders, where ever practically possible. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive, and sensitive towards the differently abled. In the process, Shar commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and social integration.

6. GUIDING PRINCIPLES

- Corporate Social Responsibility is the Company's commitment to its stakeholders and communities to conduct business in an economically, socially and environmentally sustainable manner.
- Company shall comply with the Companies Act 2013, the CSR Rules framed thereunder and as guided by CSR Guidelines issued by Ministry of Corporate Affairs, Govt of India from time to time.

7. COMMITMENT & INVOLVEMENT OF MANAGEMENT & EMPLOYEES

The philosophy & spirit of CSR is to be spread across the organization through sensitization & awareness programme for cross-section of employees. The programme would be arranged by HRD Section. The HRD Section shall maintain records of evidence in the form of documents, reports, photographs etc. in respect of internalizing socially responsible policies in the organization.

8. AREAS OF OPERATION

The areas of operation may extend to any part of India that the Board may decide from time to time. The Board may prefer / give priority to areas closer to its business units and /or issues affecting its stakeholders.

9. BOARD RESPONSIBILITY

The Board of Shar will be responsible for:

- approval of CSR policy, CSR Annual Action Plan taking into account the recommendations of the Corporate Social Responsibility Committee (CSR Committee) of the Company. Based on the recommendation of the CSR Committee, the Board may update, alter, modify or amend the CSR plan at any time during the financial year.
- ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation excluding profits arising from overseas branches made during the three immediately preceding financial years, or such other amounts as are prescribed/mandated under the Companies Act 2013 and other applicable regulations, rules, laws.
- ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively, besides regularly monitoring and implementation and where for any reason they could not be spent ensure compliance with the applicable provisions on accumulation, future spending, etc..
- disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy, annual action plan and ensure projects approved by the Board and annual reporting of its CSR activities on the Company website, if any.
- Ensuring annual reporting of CSR policy including impact assessment reports to the Ministry of Corporate Affairs, Government of India, as per the prescribed format, if applicable.
- reviewing the status of implementation and fund utilization of the various projects and programs as per approved CSR Plan.
- ensuring compliance with the applicable regulatory provisions.

10. CSR ANNUAL ACTION PLAN

The CSR Annual Action Plan shall include 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 and
- f) any other matter as may be required under the Act and the rules made thereunder.

11. CSR COMMITTEE

The CSR committee of Shar should consist of Two or more directors. The CSR committee will be responsible for:

- formulating the CSR policy in compliance to Section 135 of the Companies Act 2013
- identifying activities to be undertaken as per Schedule VII of the Companies Act 2013
- recommending to Board the CSR expenditure to be incurred.
- recommending to Board, modifications to the CSR policy as and when required.
- regularly monitoring the implementation of the CSR policy
- recommending to Board the budgetary allocation funds to various units/groups monitoring the CSR activities
- Recommend to the Board an Annual CSR Action Plan delineating the CSR projects or programs to be undertaken during the financial year and
- Appointing an independent agency/firm to carry out impact assessment study, if required.
- The composition of the CSR committee: The committee shall consist of the following members:
 - 1.Mr. Rohit Reddy Bathina – Chairman.
 - 2.Mrs.Bathina Samanvayi - Member

12. CSR PROJECTS/ACTIVITIES

The thrust of CSR shall be in the following areas, with special attention to the development of weaker/marginalized/under privileged sections of the society including SC/ST/OBC/ Minorities, women and children, BPL families, old and aged, physically challenged etc.

- a) Eradication of hunger,poverty and malnutrition.
- b) Community health care – Health and hospital infrastructure and equipment; Health camps; Medical treatment
- c) Upliftment of marginalized and differently abled communities through Education interventions
- d) Drinking water, sanitation and hygiene programs

- e) Empowerment of communities, women to ensure inclusive socio economic growth
- f) Environmental protection – Afforestation, Sustainable agriculture
- g) Rural development initiatives
- h) Other activities (rural sports, disaster relief, safety, army welfare, protection of art and culture, animal welfare etc)

Such other activities as may be permitted under the laws.

The CSR activities shall be as per Schedule–VII as amended from time to time as part of the Companies Act, 2013 and Shar' s CSR activities are organized according to Schedule-VII.

13. SELECTION & NEED ASSESSMENT OF CSR PROJECTS/ ACTIVITIES

All the requests/applications from Villagers/Gram Sabha's / Panchayat / Ward Members/ NGOs/ Trusts/ Societies/Beneficiaries etc. shall be scrutinized and screened by CSR Cell and then their need assessment would be done.

The need assessment/baseline survey shall be carried out through in-house expertise and recourses.

However, in case of specialized CSR projects/activities for which in-house capacity is not available, the baseline survey/need assessment shall be carried out by specialized agencies.

In any case, the Company shall maintain the documentary evidence of having got the need assessment study done through its own expertise and resources, or through some specialized agencies, or having accessed reliable data in this regard from recognized authoritative secondary sources.

14. APPROVAL OF CSR PROJECTS/ACTIVITIES

All the CSR projects/activities shall be approved by CSR Committee of the Board and ratified by Board of Directors.

15. ALLOCATION OF FUNDS

Shar shall spend in each financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years or such other amount as may be prescribed by law, rule, regulation. The total budgetary allocation shall be approved by the Board of Directors.

The Board of a company shall satisfy itself that the funds disbursed to the entities for CSR 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 Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company.

The surplus, if any arising out of the CSR activities will not be considered as a part of the business profits of the Company and may be ploughed back into the same project, or be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the “Unspent Corporate Social Responsibility Account”. Such amount shall be spent by the company towards CSR within a period of 3 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 30 days from the date of completion of the third financial year.

16. INSTITUTIONAL ARRANGEMENT

The implementation and monitoring of the CSR activities shall be overseen by the CSR Committee of the Board. The day-to-day implementation shall be under the overall supervision of a senior level executive or any authorized person, who shall act as the Nodal Officer and responsible to execute the CSR activities.

The Nodal Officer along with a team of officials/employees shall coordinate & implement the CSR activities.

The CSR Committee and the Nodal Officer’s team of officers / employees together will constitute the two-tier organizational structure to steer the CSR agenda of the company. If required, the consultation/help of State Government/District administration may be taken wherever necessary.

17. PLANNING, IMPLEMENTATION & MONITORING

The Company shall undertake and implement CSR activities either directly or through a Registered public trust, Registered society or a Section 8 company under the Companies Act, 2013, (NGOs), institutions and /or such other agencies (‘implementing agencies’) as may be specified in Companies (Corporate Social Responsibility Policy) Rules, 2014, with a track record of at least three years in carrying out activities in related areas and as amended fromtime to

time. While engaging with agencies, Shar to evaluate the credentials of the implementing entity and seek relevant documents, information and details as determined by Shar from time to time.

The Company may also engage international organizations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy or also collaborate with other companies for undertaking projects or programs or CSR activities in accordance with the provisions of the Act and the rules made thereunder.

The implementing agencies, who intend to undertake any CSR activity, shall register themselves with the Central Government and obtain a unique CSR Registration Number, wherever applicable.

The CSR activities to be undertaken by the Company under the Policy shall be approved by way of Annual CSR Action Plan ('CSR Plan') by the Board on the recommendation of the CSR Committee.

The CSR policy is implemented as per the Act and the Rules. The CSR policy will be implemented ensuring that all projects/programs as budgeted are duly carried out. CSR spends will be closely monitored and funds shall be released against verified utilizations as per the approved work plans. This may include monthly field visits, comprehensive documentation, and regular interaction with beneficiary communities. Further, CSR spends will be audited in an accountable and transparent manner.

In order to fulfil the objectives, the various CSR activities shall be assigned to different groups, each headed by a Convener along with supporting members. It shall also be ensured to include few local representatives as link-man/coordinator in the sub-committee. For, projects in villages, persons/representatives from Villages/Gram Sabha's / Ward members may also be engaged. This will help in achieving the target as well as participation of the local representatives in formulating the various activities to obtain maximum benefit by community.

Activities shall, as far as possible, be implemented in a project mode and if the project is determined to be multi-year project, it shall not exceed 3 years excluding the financial year in which it was commenced for easy implementation, long-term CSR projects shall be broken down into medium-term and short-term plans. Each plan shall specify the CSR activities planned to be undertaken for each year. Accordingly, the budget shall be allocated for the implementation of these activities and achievement of targets set for each successive year, till the final completion of the project.

Projects especially the construction/civil activities and other projects which require specialized knowledge and skills shall be executed by the external specialized agencies.

Specialized agencies may include Government departments, semi government, or non-government organizations (NGOs), autonomous organizations, professional consultancy organizations, registered Trusts/ Missions, community based organizations, self-help groups, not-for-profit organizations, local bodies such as Panchayat Raj institutions, academic institutes, etc.

Further, close co-ordination may be had with Central/State/Local Governments/NGO's to synergize the activities with their developmental programs. The CSR activities will be effectively and objectively monitored using appropriate monitoring tools that may include one or more of the third-party audit(s) or certification(s), impact assessment(s), self-assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism. Review discussions shall be held amongst the CSR Cell employee's/committee members and suggestions for further improvements shall be discussed in details. Feedback shall be regularly obtained from local area representative/link-man / coordinator about benefits of various activities and/or their suggestions. The convener of the committee shall also work in close liaison with them and ensure that benefits of all the activities reaches to the total cross section of the community.

18. CAPITAL ASSETS

The CSR amount may be spent by a company for creation or acquisition of a capital assets, which shall be held by –

- Section 8 company, registered public trust or registered society having charitable object and CSR registration number.
- Beneficiaries of said CSR project, in the form of self-help groups, collectives, entities, or
- A public authority.

The company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed-off without prior permission of the company.

19. REPORTING

The Nodal Officer shall regularly submit reports regarding the progress in implementation of CSR activities and utilization of annual budget to the CSR Committee. The CSR Committee will in turn, periodically submit the reports to the Board of Directors for their information, consideration and necessary directions.

The periodicity of submission of reports shall be on quarterly basis for review by the CSR committee and six-monthly reviews by the Board. Additionally, with effect from FY 2014–15 an Annual Report on CSR activities shall be included in the Board's Report as per the provisions of the Companies Act, 2013.

The composition of the CSR Committee, CSR Policy and Projects approved by the Board shall be displayed on the website of the Company, if any.

20. IMPACT ASSESSMENT

Where ever necessary, the Company shall undertake impact assessment, through` an independent agency, of CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports, if applicable shall be placed before the Board and shall be annexed to the annual report on CSR.

The expenses incurred in connection with the impact assessment shall be added to the overall CSR outlay for the financial year subject to a maximum of 5% of the total CSR outlay or Rs.50 Lakhs, whichever is less. This will be over and above the administrative expenditure incurred by the Company towards CSR.

21. DOCUMENTATION

The CSR Committee will prepare the annual CSR report to be filed by the Company on approval of the Board. This report will ensure:

- CSR projects and programs are being properly documented.
- An MIS is maintained on expenditure across sectors and geographies and beneficiaries impacted. The MIS structure will be in alignment with the prescribed reporting format.
- Accountability is fixed at each level of CSR process and implementation.
- A repository of case studies and good practices is being maintained.
- Annual Action Plan in pursuance of Shar CSR policy as approved by Board
- Impact Assessment reports for the identified and qualified projects as per the Companies (Corporate Social Responsibility Policy) Rules amended from time to time.

22. CONTINGENCY

Certain projects/activities which are not approved by CSR Committee but are required to be implemented on an urgent basis in unforeseen circumstances relating to Natural calamity, pandemic and such other emergent situations may be taken up for Implementation after approval from Board of Shar. The CSR Committee and Board of Directors should be appraised about such projects / activities during the next meeting of the CSR Committee.

23. GENERAL

- a) The CSR Policy shall be recommended by the CSR Committee to the Board of Directors for its approval.
- b) The Company reserves the right to modify, cancel, add, or amend any of the above rules/guidelines, with the approval of CSR Committee and Board of Directors.

- c) Any or all provisions of the CSR policy shall be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government of India, from time to time.
- d) In case of doubt with regard to any of the provision of the policy and also in respect of matters not covered herein, the interpretation and decision of the CSR Committee shall be final.

24. REVIEW

The CSR Committee shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The CSR Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR Policy.

Note-This policy has been approved by the Board of Directors of the Company at their meeting held on Friday the 1st day of November,2024.