

CORPORATE SOCIAL RESPONSIBILITY POLICY
SUYOG GURBAXANI FUNICULAR ROPEWAYS LIMITED

A. INTRODUCTION

Suyog Gurbaxani Funicular Ropeways Limited ("the Company" or SGFRL) recognizes its responsibility towards the community and environment in which it operates and has consistently remained committed to promoting social welfare and sustainable development. Guided by its core values, the Company undertakes initiatives aimed at enhancing the well-being of its stakeholders. At SGFRL, we believe that a responsible corporate citizen must uphold the highest standards of conduct towards its employees, consumers, and society at large. We view Corporate Social Responsibility ("**CSR**") as a means to make a meaningful difference and add long-term value to people's lives.

The Company's Corporate Social Responsibility Policy ("**the Policy**") has been formulated pursuant to Section 135 of the Companies Act, 2013 ("**the Act**"), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. This Policy serves as a guiding framework for identifying, implementing, and monitoring CSR programs in compliance with applicable laws and shall be applicable to all CSR initiatives undertaken by SGFRL for the benefit of diverse sections of society.

B. REVIEW OF POLICY

The Board of Directors of the Company may, in their discretion make any changes/modifications and /or amendments to this Policy from time to time. The Policy will be subject to review after a period of 3 (Three) years. During the applicability of this Policy, in case of any perceived conflict between Section 135 of the Act or Rules made thereunder and this Policy, the former shall prevail in all circumstances.

C. CSR ACTIVITIES

The CSR activities of the Company shall be carried out in accordance with the provisions of Section 135 of the Act, read with Schedule VII thereto, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any amendments, modifications, or re-enactments made from time to time.

In line with the above, the Company shall identify and undertake one or more activities specified under Schedule VII of the Act, which include the following:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocational skills especially among children, youth, women, the elderly and differently-abled, and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 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;
- 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 art and handicrafts;

- 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;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- 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 Government of India, Government of a State or Union Territory of the Union of India for socio-economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- 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 Organisation (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);
- Rural development projects;
- Slum area development;
- Disaster management, including relief, rehabilitation and reconstruction activities.

D. CSR EXCLUSIONS

The following shall not qualify as CSR activities of the Company:

- Activities undertaken in the normal course of business of the Company;
- Any activity undertaken by the Company outside India;
- Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- Activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
- Activities carried out for fulfillment of any other statutory obligations under any law in force in India

E. CSR EXPENDITURE

- The Company shall allocate, in every financial year, a sum equivalent to 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with Section 135 of the Act, as its annual CSR budget. The Board of Directors shall ensure that the prescribed amount is spent in pursuance of this CSR Policy and as per applicable provisions of the Act and Rules.
- Only projects, programs, or activities undertaken within India shall qualify as CSR expenditure. In defining and implementing such activities, preference shall be accorded to the local areas and

regions in which the Company operates.

- CSR expenditure shall include all expenditure incurred, including contributions to eligible corpus or for projects, programs, and activities approved by the Board in line with this Policy. However, any expenditure not in conformity with the CSR Policy, Schedule VII of the Act, or the applicable Rules, shall not be deemed as CSR expenditure.
- In the event the Company fails to spend the prescribed CSR amount in any financial year, the Board shall, in its report prepared under Section 134(3)(o) of the Act, specify the reasons for not spending such amount. Unless the unspent amount relates to an ongoing project, it shall be transferred to a Fund specified in Schedule VII of the Act within 6 (Six) months from the end of the relevant financial year.
- Where any unspent amount pertains to an ongoing project, the same shall, within 30 (Thirty) days from the end of the financial year, be transferred to a special account to be opened in any scheduled bank for that financial year, to be called the "Unspent CSR Account." Such amount shall be utilized for the project within a period of 3 (Three) financial years from the date of transfer, failing which the balance shall be transferred to a Fund specified in Schedule VII within 30 (Thirty) days from the completion of the third financial year.
- If the Company spends an amount exceeding the statutory requirement in any financial year, such excess may be set off against CSR obligations of the immediately succeeding 3 (Three) financial years, subject to compliance with the Act, the CSR Rules, and approval of the Board on the recommendation of the CSR Committee.
- The Company may, at its discretion, take up additional socially beneficial or sustainability initiatives voluntarily (beyond the scope of Schedule VII) with the prior approval of the the Board, provided such initiatives are not undertaken for the purpose of meeting statutory CSR obligations.

F. SURPLUS ARISING FROM CSR ACTIVITY

Any surplus arising out of the CSR projects, programs or activities shall not form part of the business profit of the Company and shall be treated in the following manner:

- a) ploughed back into the same project or;
- b) shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR Policy and Annual Action Plan of the Company; or
- c) such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of 6 (Six) months from the expiry of the financial year.

G. CSR ANNUAL ACTION PLAN

The CSR Annual Action Plan of the Company shall include the following:

- List of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- Manner of execution of such projects or programmes;
- Modalities of utilisation of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes; and
- Details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board of Directors shall formulate the Annual Action Plan and may also alter the same at any time during the financial year.

H. IMPLEMENTATION

The Company shall undertake its CSR activities, as approved by the Board of Directors, primarily through Suyog Healthcare & Wellness Foundation, a Company registered under Section 8 of the Act, promoted by Suyog Telematics Limited and SGFRL, which is engaged in healthcare and wellness oriented initiatives. The Company may also undertake CSR activities in such other manner as permitted under Section 135 of the Act and the applicable CSR Rules. Further, the Company may collaborate with other companies to implement CSR projects or programmes.

For implementation of CSR projects, preference shall be accorded to the local area and areas surrounding the Company's operations. The duration and time frame of each programme shall be determined based on factors such as the nature of the activity, scale of coverage, and the intended impact on beneficiaries.

I. CSR COMMITTEE

The Board itself or may constitute Corporate Social Responsibility Committee to undertake the following responsibilities on behalf of the Company for CSR purposes:

- To formulate a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subjects as specified in Schedule VII of the Act and disclosing the content of the Policy in its Report and placing the same on the Company's website in the manner prescribed under the Act;
- To review and recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the CSR Policy of the Company and its implementation from time to time;
- Ensuring that the CSR activities are related to the activities, areas or subjects included in Schedule VII of the Act;
- Ensuring that CSR projects included in the policy are undertaken by the Company;
- Ensuring that the Company spends, in every financial year, at least 2 percent of the average net profits made during the 3 (Three) immediately preceding financial years or such minimum budget as may be statutorily mandated under the law;
- Ensuring that reasons for not spending of earmarked amount are disclosed in the Board's report in case the Company fails to spend such amount;
- Ensuring that administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year;
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects;
- The Board of the Company shall also 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;
- In case of an 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;
- Any other matter, as deemed appropriate and as may be required under applicable law, as and when amended from time to time.

J. MONITORING MECHANISM

The Company shall put in place a structured monitoring mechanism to ensure effective implementation of CSR programmes. The Board shall design appropriate processes for periodic review, including obtaining feedback from beneficiaries and other stakeholders to assess the efficacy and sustainability of the programmes. The progress of CSR projects and activities shall be reviewed and reported to the Board of Directors at regular intervals.

K. IMPACT ASSESSMENT

Where applicable, the Company shall undertake impact assessments of its CSR projects and programmes through an independent agency, in the manner prescribed under the Act and the CSR Rules. The impact assessment report(s) shall be placed before the Board of Directors and disclosed in accordance with statutory requirements.

L. DISCLOSURES

The Annual report on CSR Activities shall be included in the Board's Report forming part of the Company's Annual Report. Further, the details of the CSR Policy and CSR Projects approved by the Board shall be available on the Company website at www.sgfrl.com

M. GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to the Board of Directors. In all such matters, the interpretation and decision of the Board shall be final. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time. SGFRL reserves the right to modify, add, or amend any of these Policy Rules/Guidelines.
