

Corporate Social Responsibility Policy of Jhajharia Nirman Limited

First approved by the Board on 1 July 2024. Revised and approved by the Board on 28 October 2026.

1. Introduction

Jhajharia Nirman Limited ("JNL" or "the Company") builds railway and civil infrastructure across India. Our work takes us to districts and villages far from cities, and we believe the communities around our sites should benefit from our presence. This Policy sets out how the Company plans, carries out, monitors and reports its Corporate Social Responsibility ("CSR") activities.

2. Legal framework

This Policy is made under Section 135 of the Companies Act, 2013 ("the Act"), Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the CSR Rules"), as amended from time to time. Words used in this Policy have the meanings given to them in the Act and the CSR Rules. If any provision of this Policy conflicts with the law, the law will prevail.

3. Applicability

Section 135 applies to the Company because its turnover exceeds ₹1,000 crore. The Company will review applicability every year on the basis of its audited financial statements.

4. Objectives

- Make a visible, lasting difference to the lives of disadvantaged people, especially in the areas around the Company's project sites and head office.
- Choose projects where the Company's people, skills and presence on the ground can add value.
- Spend CSR funds transparently, on approved projects, with measurable results.
- Encourage employees to take part in community work.

5. Focus areas

The Company may undertake any activity listed in Schedule VII to the Act, as amended from time to time. Its focus areas are:

- **Education** — school buildings, classrooms, sanitation, drinking water, libraries and digital learning in government schools; scholarships for deserving students (Schedule VII item ii).
- **Skills and livelihood** — training local youth in construction trades such as masonry, bar-bending, welding, machine operation and site safety, with placement support (item ii).

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- **Health care, nutrition and sanitation** — health and eye camps, preventive health care, nutrition support, sanitation and safe drinking water (item i).
- **Women's empowerment** — self-help groups, livelihood training and facilities for women (item iii).
- **Environment** — tree plantation with survival care, water conservation, rainwater harvesting and protection of natural resources (item iv).
- **Rural development and disaster relief** — rural development projects and relief, rehabilitation and reconstruction after disasters (items x and xii).

The Company may also contribute to funds and institutions listed in Schedule VII, including the Prime Minister's National Relief Fund, the PM CARES Fund (item viii), eligible research institutions and incubators (item ix), and zero-coupon, zero-principal instruments on a Social Stock Exchange (item xiii), subject to the conditions and limits in the CSR Rules.

6. Local area preference

Under Section 135(5), the Company will give preference to the local areas around where it operates — its head office at Bilaspur, Chhattisgarh, and its project sites — while remaining free to take up projects elsewhere in India.

7. What does not count as CSR

In line with Rule 2(1)(d) of the CSR Rules, the following will not be treated as CSR expenditure:

- Activities undertaken in the normal course of the Company's business, including any railway, road, bridge, building or other construction work that is part of a contract, a tender obligation or the Company's commercial activity.
- Activities undertaken outside India, except training of Indian sports personnel representing India at state, national or international level.
- Contributions of any amount, directly or indirectly, to any political party under Section 182 of the Act.
- Activities that benefit only employees of the Company as defined in Section 2(k) of the Code on Wages, 2019.
- Sponsorship of activities to gain marketing benefits for the Company's products or services.
- Activities carried out to meet any other statutory obligation under any law in force in India.

8. CSR Committee

- 8.1 The Board has constituted a CSR Committee of three or more directors, at least one of whom is an Independent Director. The Board designates its Chairperson.



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8.2 If in any year the Company's CSR obligation does not exceed ₹50 lakh, the CSR Committee is not mandatory under Section 135(9), and its functions may be discharged by the Board.

8.3 The CSR Committee will:

- formulate and recommend to the Board this Policy and any changes to it;
- formulate and recommend to the Board, every year, an Annual Action Plan under Rule 5(2) of the CSR Rules;
- recommend the amount of CSR expenditure;
- monitor the implementation and use of funds on every project; and
- review the progress and impact of CSR activities.

8.4 The CSR Committee will meet at least twice a year.

9. Annual Action Plan

Every year the CSR Committee will recommend, and the Board will approve, an Annual Action Plan setting out:

- the list of CSR projects or programmes and the Schedule VII item each falls under;
- the manner of execution;
- the modalities of utilisation of funds and implementation schedules;
- the monitoring and reporting mechanism; and
- details of need and impact assessment, if any.

The Board may alter the plan during the year on the CSR Committee's recommendation, with reasonable justification recorded.

10. How projects are carried out

10.1 The Company may carry out CSR projects itself, or through any of the following implementing agencies, as permitted by Rule 4(1) of the CSR Rules:

- a company registered under Section 8 of the Act, or a registered public trust or registered society, which is exempt under Section 10(23C) or registered under Sections 12A and 80G of the Income-tax Act, 1961 (or the corresponding provisions of the Income-tax Act, 2025), established by the Company alone or with others;
- a Section 8 company, registered trust or registered society established by the Central Government or a State Government;
- an entity established under an Act of Parliament or a State Legislature; or



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- a Section 8 company, registered public trust or registered society with the tax registration described above and an established track record of at least three years in similar activities.
- 10.2 Every implementing agency must hold a valid CSR Registration Number obtained by filing Form CSR-1 with the Ministry of Corporate Affairs.
- 10.3 The Company may collaborate with other companies on a CSR project, provided each company can report its share separately. It may engage international organisations to design, monitor and evaluate projects and to build the capacity of its CSR staff.
- 10.4 Each agency will be engaged under a written agreement that sets out the scope, budget, milestones, reporting and audit rights.

11. CSR expenditure

- 11.1 In every financial year the Company will spend at least 2% of its average net profit, calculated under Section 198 of the Act, for the three immediately preceding financial years.
- 11.2 CSR expenditure includes all expenditure, including contributions to a corpus, on projects approved by the Board on the CSR Committee's recommendation. It does not include expenditure on anything not in line with Schedule VII.
- 11.3 **Administrative overheads** — expenses on general management and administration of the CSR function — will not exceed 5% of the total CSR expenditure for the year. Expenses incurred directly on the design, implementation, monitoring or evaluation of a particular project are not administrative overheads.
- 11.4 **Surplus** — any surplus arising from CSR activities will not form part of the Company's business profit. It will be ploughed back into the same project, transferred to the Unspent CSR Account, or transferred to a fund in Schedule VII within six months of the end of the financial year.
- 11.5 **Set-off** — any amount spent above the requirement in a year may be set off against the requirement for up to the three succeeding financial years, by a Board resolution, provided the excess does not include any surplus arising from CSR activities.

12. Ongoing projects and unspent amounts

- 12.1 An ongoing project is a multi-year project with a timeline of not more than three years, excluding the financial year in which it starts. This includes a project that was not planned as multi-year but which the Board extends beyond one year with reasonable justification.
- 12.2 Any amount remaining unspent on an ongoing project at the end of a financial year will be transferred, within 30 days, to a special account called the "Unspent Corporate Social Responsibility Account" opened with a scheduled bank. It will be spent within three financial



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years of the transfer; any amount still unspent will be transferred to a fund in Schedule VII within 30 days of the end of the third financial year.

- 12.3 Any other unspent amount will be transferred to a fund in Schedule VII within six months of the end of the financial year.

13. Capital assets

Any capital asset created or acquired from CSR funds will be held by:

- a Section 8 company, registered public trust or registered society that has charitable objects and holds a CSR Registration Number;
- beneficiaries of the project, in the form of self-help groups, collectives or similar entities; or
- a public authority.

14. Monitoring

- 14.1 The CSR Committee will review each project at least twice a year through progress reports, site visits, photographs, beneficiary records and utilisation certificates.
- 14.2 For ongoing projects, the Board will monitor implementation against the approved timelines and year-wise allocation, and may modify the project where needed within the permitted period.
- 14.3 The Board will satisfy itself that funds disbursed have been used for the approved purposes and in the approved manner. The Chief Financial Officer, or the person responsible for financial management, will certify this every year.

15. Impact assessment

If the Company's average CSR obligation under Section 135(5) is ₹10 crore or more in the three immediately preceding financial years, the Company will have an independent agency assess the impact of every project with an outlay of ₹1 crore or more that was completed at least one year before the study. The cost of impact assessment may be booked as CSR expenditure up to 2% of the total CSR expenditure for that year or ₹50 lakh, whichever is higher. Impact assessment reports will be placed before the Board and annexed to the annual report on CSR.

16. Employee participation

The Company encourages employees to volunteer on its CSR projects, and will recognise those who do.

17. Reporting and disclosure

- The annual report on CSR will be included in the Board's Report in the format in Annexure II to the CSR Rules.



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- The composition of the CSR Committee, this Policy and the projects approved by the Board will be published on the Company's website under Rule 9 of the CSR Rules.

18. Review

The CSR Committee will review this Policy at least once a year and recommend changes to the Board. Any change in the law will apply automatically from its effective date, and the Policy will be updated at the next review.



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