Corporate Social Responsibility (CSR) Policy

Highway Roop Precision Technologies Limited (HRPTL)

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Prepared By	Corporate Secretarial and Legal Department
Policy Owner	Board of Directors
Approved By	Board of Directors
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1. Preamble

Highway Roop Precision Technologies Limited (HRPTL) ("the Company" or "HRPTL") is committed to contributing to sustainable and inclusive development. In accordance with Section 135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, HRPTL undertakes CSR projects that create meaningful and measurable social impact in the communities where it operates.

HRPTL formerly known as Roop Automotives Limited, along with its subsidiaries "Highway Roop Group" shall undertake and implement their Corporate Social Responsibility (CSR) initiatives in alignment with the CSR Policy of HRPTL shall undertake and implement their Corporate Social Responsibility (CSR) initiatives in alignment with the CSR Policy of HRPTL. This shall ensure uniformity in approach, statutory compliance with applicable provisions of the Companies Act, 2013 and CSR Rules, and strategic coherence in the planning, execution, and reporting of CSR activities across the Group

This CSR Policy outlines the Company's vision, guiding principles, governance framework, implementation strategy, monitoring mechanism, and statutory compliance requirements for CSR initiatives.

2. CSR Vision

To foster sustainable and equitable development by supporting high-impact CSR interventions that enhance the quality of life of communities, particularly in the areas of education, skill development, environment sustainability, healthcare, road safety, women empowerment, and community development.

3. CSR Mission

HRPTL will ensure carrying out CSR projects/ programs in line with activities prescribed under Schedule VII of the Companies Act 2013:

a. Eradicating hunger, poverty and malnutrition, promoting 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 and making available safe drinking water.

b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects

c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups

d. 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

e. 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

f. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows

g. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports

h. 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 welfare of the schedule caste, tribes, other backward classes, minorities and women

i. 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.

j. 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 Defence 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).Rural development projects.

k. Slum area development.

l. Disaster management, including relief, rehabilitation and reconstruction activities and

m. Any activities or subjects specified in Schedule VII of the Act.

4. Applicability

This policy applies to all CSR activities undertaken by HRPTL and its subsidiaries directly or through implementing agencies and is effective from the date of approval by the Board.

5. CSR Focus Areas

HRPTL shall undertake CSR activities in the following priority focus areas, fully aligned with Schedule VII of the Companies Act, 2013:

5.1 Education including initiatives like

- Digital literacy programs (e.g., Computer Basic Classes)
- School infrastructure upgrades and learning environment support
- Scholarships, remedial learning, and E-learning programs
- STEM promotion, career guidance, and life-skills training

5.2 Skill Development & Livelihood including initiatives like

- Vocational and employability training for youth and women
- Industry-oriented skilling aligned with market and automotive sector needs
- Entrepreneurship development and micro-enterprise support

5.3 Environment Sustainability initiatives including but not limited to:

- Tree plantation and biodiversity conservation
- Waste management, recycling, and plastic reduction
- Water conservation, rainwater harvesting, climate action projects

5.4 Women Empowerment initiatives including but not limited to:

- Self-help group (SHG) strengthening
- Livelihood enhancement and financial literacy training
- Awareness programs promoting health, safety, and gender equality

5.5 Community Development initiatives including but not limited to:

- Infrastructure support for rural and underserved communities
- Health camps, nutrition support for elderly and vulnerable groups
- Sanitation, hygiene, and safe drinking water initiatives

5.6 Road Safety & Awareness initiatives including but not limited to:

- Road safety workshops for school students, youth, and drivers
- Awareness campaigns on safe and responsible driving
- Reflective tapes, helmets, and road signage installation

5.7 Support in Times of Crisis initiatives including but not limited to:

- Disaster relief, rehabilitation, and humanitarian assistance

5.8 Promoting healthcare initiatives including but not limited to:

- Eradicating hunger
- promoting health care including preventive health care

5.9 Other Activities Permissible Under Schedule VII

- Any additional CSR activity listed under Schedule VII, as amended from time to time.

6. CSR Governance Structure

a) CSR Working Committee

The CSR Working Committee shall support the CSR Committee and be responsible for:

- Conducting needs assessments and stakeholder consultations
- Designing and implementing CSR programs
- Due diligence of implementing partners
- Field monitoring, documentation, impact measurement, and report preparation

b) CSR Committee

The CSR Committee shall consist of Directors approved by the Board.

- Formulate and recommend the CSR Policy and any modifications.
- Recommend the Annual CSR Action Plan, projects, and yearly CSR budget.
- Oversee CSR implementation and review periodic progress reports.
- Ensure CSR compliance, financial accountability, and statutory reporting.

c) Board of Directors

- Final decision on the selection, evaluation of projects, budget allocations and implementation strategy of the CSR Initiatives
- Monitor the progress and satisfy itself that the funds disbursed have been utilized for the purpose and in the manner approved by it.

- Authorize the CSR Committee or CSR Working Committee to approve, in principle, the proposals for funding under this CSR Policy, formulate new schemes wherever required; take decisions on the broad budget categories, and to take any action required in order to implement the Company's CSR initiatives.

7. CSR Implementation

Project-Planning and Identification

- CSR initiatives of HRPTL shall be undertaken by the Company either directly or through any Foundation as formed by Highway Roop Precision Technologies Limited or through any other Implementation Agency appointed in accordance with Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

- Identification of CSR projects/activities will be done by any one or combination of the in-house planned projects or proposals/requests from an implementing agency duly authorised and equipped for carrying out specific CSR initiative.

- As far as possible, CSR initiatives shall be implemented in project mode with clearly defined objectives and allocation of resources and timeline along with the impact assessment. A CSR activity through third party implementing agency shall be planned to be carried out in project mode. The proposals shall be evaluated by conducting a proper due diligence including site visits, assessment of the past track record, financial and regulatory process review etc.

- Upto to certain value of expenditure as may be deemed fit by the Board, an assessment of similar projects/other projects have been/are being carried out by the implementing agency at other location(s), shall be conducted.

- On the basis of identified CSR activities/projects, the Annual Action Plan will be prepared and approved by the CSR Committee which shall recommended the same to the Board for its approval. Once approved by the Board, the Annual Action Plan for respective year would be disseminated at the website of the Company. All efforts should be made to finalize the Annual Action Plan before commencement of the financial year.

- The Annual Action Plan shall encapsulate strategic approach, delineating the manner of execution, fund utilization, monitoring, and reporting mechanisms, aligning with the requirements of applicable rules and regulations.

- The annual budget allocation for CSR shall be earmarked every year for implementation of CSR activities. The Annual Action Plan as approved by the Board shall then be communicated to CSR Committee and CSR Working Committee who may further authorise the Officers of the Company to undertake and monitor the activities as per the Annual Action Plan.

- The Annual Action Plan may, however, be amended/modified by the Board at any time during the financial year as per the recommendation of the CSR Committee based on reasonable justifications to that effect.

8. Modalities for Implementation and Execution of CSR Activities/ Project/ Programs.

a. Utilization of Funds

- CSR Budget shall be allocated during each financial year by the Board of Directors/CSR Committee. Company shall spend at least 2% of the Average Net Profit made during immediately preceding three financial years on its CSR activities as per the provisions of Companies Act, 2013 or any other applicable rules and regulations Every endeavor shall be made to spend the entire yearly budget on CSR activities in that year itself.

- The amount earmarked for CSR expenditure shall be spent in accordance with the Annual Action Plan.
- The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to general management and administration of CSR functions in the Company.

- CSR funds may be spent for creation or acquisition of a capital asset, which shall be held as per Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules 2014.

- The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall 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.

- The unspent amount, if any 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 respective financial year.

- The unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the respective 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.

- The excess amount incurred if any, by the Company on CSR projects, programs or activities may be set off against the requirement to spend in succeeding financial years in consonance with the applicable provisions.

b. Mode of Implementation of CSR Projects, Activities and Programs.

HRPTL by the very nature of its business has its activities spread pan India across all the States and Union Territories. Hence, CSR activities may be taken up at any location within the country. However, while doing CSR Activities, the HRPTL shall make conscious efforts to give preference to the local areas wherein the Company operates or has its offices i.e. areas in the vicinity of its Corporate Office, Registered Office, Plants and Units.

The Company shall ensure that the CSR activities are undertaken:

- Directly, or through
- Implementing Agencies
- Government and Semi-Government bodies
- Employee volunteering initiatives

c. Implementing Agency

Implementing Agency shall fulfil the following criteria:

I. company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company provided it satisfies the criteria for being appointed as the Implementing Agency as per the Act and the rules.

II. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

III. any entity established under an Act of Parliament or a State legislature; or

IV. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

V. The agency implementing the CSR Projects shall satisfy the criteria of appointment as designed by the CSR Committee, and updated from time to time such as requirement of valid Registration as Implemented Agency in accordance with Companies Act, 2013, requisite track record, experience and expertise in Financial Management for execution of CSR Projects to be undertaken by the Implementing Agency.

VI. For CSR projects/schemes approved to be implemented through external implementing agency, a MOU shall be entered to specify and record material terms and conditions.

The Implementing Agency shall be responsible for the following:

a. To devise a robust monitoring mechanism in order to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plans in compliance with the Applicable Laws and the provisions of this Policy.

b. To update the CSR Committee and the Board on the progress of CSR Activities and status of implementation of the Annual Action Plan from time to time.

c. To maintain records of all CSR Activities undertaken on behalf of the Company.

d. To do all such acts, deeds and things as may be directed by the CSR Committee in pursuance of the CSR Policy and for the effective implementation of the Annual Action Plan.

e. To comply with all other terms and conditions of the CSR Policy of the Company to the extent applicable.

f. To submit the project progress, photographs at various stages of implementation, utilization certificates etc.

9. Monitoring, Evaluation and Impact Assessment

a. The CSR Committee shall endeavor to devise a robust monitoring mechanism to ensure that the CSR projects/ programs are undertaken effectively in accordance with its CSR Policy, annual action plan and applicable laws.

b. For all the projects/ contributions above a certain value as determined by the Board, the base line/pre-implementation phase data/status in terms of measurable parameters must be documented along with relevant photographs (if possible) before commencement of the project and a Need and Requirement Assessment Analysis or study may be undertaken through in house resources/by engaging a third party.

c. The CSR projects may include well defined milestones in terms of measurable parameters if possible. The payments to the external agencies, as the case may be applicable, shall be made in instalments which shall necessarily be inter-twined in appropriate proportion with the achievement of the milestones. Regular site visits and feedbacks from the targeted beneficiaries should be taken.

d. Monitoring of CSR activities could be done through establishing a mechanism, key elements of which may include:

i. Allocation of responsibility
ii. Establishing KPIs/ indicators
iii. Tracking of progress and impact
iv. Providing reasons for deviations.
v. Site visits to understand on ground achievements.
vi. Communicating progress internally and externally.
vii. Regular reporting to CSR and ESG Committee.
viii. Seeking Feedback from beneficiaries.

Impact Assessment

a. The Company shall undertake the impact assessment wherever applicable as per the below requirement under Companies Act, 2013:

Every Company having average CSR obligation of ₹ 10 Crore or more in pursuance of Section 135(5) of Companies Act, 2013, in three immediately preceding financial years, shall undertake impact assessment, through an Independent Agency, of their CSR projects having outlays of ₹ 1 Crore or more, and which have been completed not less than 1 year before undertaking the impact study.

b. Additionally, the Company may undertake periodic impact assessment of other projects once every 3 years, subject to recommendation of the CSR Committee.

c. To maintain transparency, details of every project i.e. targeted beneficiary, intermediate milestones, targeted outcomes, completion schedule, payment plan, fund utilization certificates, project completion certificates, Impact assessment etc. should be maintained as prescribed under the Company's rules so that they are available for any cross checks and future scrutiny.

10. Reporting and Disclosure

- A consolidated progress report of CSR activities including the reports submitted by the Implementing agencies, if any on a quarterly basis shall be obtained which shall then be put up for consideration of the CSR Committee by the Company Secretary on a half yearly basis. The progress report to the CSR Committee shall include year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and actual year-to-date spend compared to the budget and reasons for variance.

- On the basis of progress report, the CSR Committee may recommend appropriate action with respect to any project/activity of the Policy. Any addition /deletion/modification (with proper justification) of project/activity may be considered by the CSR Committee for further recommendation and approval of the Board.

- An Annual CSR Report and plan will be included in the Directors Report within the Annual Financial Statement of the Company and will be placed before the CSR Committee and the Board for approval at the end of every financial year. The report will adhere to the requirements of Section 135 of the Companies Act, 2013 and the rules thereunder.

- Approved CSR Policy of the Company and activities undertaken by HRPTL or through any Implementing Agency shall be disseminated on website of the Company.

11. Amendments

The Board on recommendation of the CSR Committee, may amend this Policy at any time to align with Evolving business and community priorities. The Company Secretary & Compliance Officer is being authorized to amend this Policy to appropriately incorporate statutory amendments and the same shall be forthwith intimated to the Board of Directors for noting in the subsequent meeting.

12. Contacts

For any queries or clarifications relating to this CSR Policy or the Company's CSR initiatives, the CSR team may be contacted at csr@highwayroop.com or cs@highwayroop.com

Annexure A

Indicative List of Aspects to be Considered While Engaging with Implementing Agencies

Highway Roop Precision Technologies Limited (HRPTL) and its subsidiaries shall undertake appropriate due diligence before partnering with any external entity for CSR implementation. The following aspects and documentation requirements will guide the selection and engagement process.

1. Key Aspects for Evaluation

1. Alignment of the proposed CSR project with activities permitted under Schedule VII of the Companies Act, 2013.
2. Capability, technical expertise, and track record of the implementing agency in similar thematic areas.
3. Geographical reach and operational capacity relevant to the project requirement.
4. Governance practices, transparency, accountability, and financial integrity of the organization.
5. Compliance with statutory requirements, including mandatory CSR-1 registration.

2. Due Diligence Requirements

HRPTL shall conduct a structured due-diligence process. The following information and documents may be sought from the implementation agency, as applicable:

i. Memorandum & Articles of Association / Constitution documents
ii. Registration Certificate
iii. Registration Certificate under Section 12A
iv. Audited financial statements for the last three years
v. Income Tax exemption certificate under Section 80G (lifetime validity)
vi. PAN Card of the organization
vii. Income Tax exemption certificate under Section 35(i), if available
viii. Acknowledgement of Income Tax Return along with copy of filed IT Returns (last three years)
ix. FCRA Certificate (if applicable) and latest FCRA Return – FC-3
x. Detailed description of the project, including objectives, scope, beneficiaries, budget, and timelines

3. Additional Checks

- Ensure project feasibility and alignment with HRPTL's CSR priorities.
- The CSR Team may conduct field visits, interact with stakeholders, and verify credentials as needed.
- Review the agency's monitoring, reporting, and financial systems.

4. Reporting & Monitoring Expectations

The implementing agency shall provide:

- Quarterly progress reports on activities, outputs, outcomes, and fund utilisation
- Documentation such as photos, attendance sheets, beneficiary lists, and case stories
- Year-end utilization certificate (UC) in prescribed format

5. Rights Reserved by HRPTL

HRPTL reserves the right, at its sole discretion, to withhold, suspend, or discontinue funding at any point if:

- The project deviates from approved objectives
- Fund utilization is not in line with agreed milestones
- Compliance and reporting requirements are not met

6. Annual CSR Action Plan Format

Programs	Project Category	Project	Initiative	Location	Implementation Mode	Implementing Agency	Project Duration	Target Beneficiaries	Budget (₹)	Monitoring Indicators/ KPIs	Expected Outcomes