



TOTAL TRANSPORT SYSTEMS LIMITED
POLICY ON CORPORATE SOCIAL
RESPONSIBILITY (“CSR POLICY”)

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CORPORATE SOCIAL RESPONSIBILITY POLICY

Short Title:

This policy is in relation to the “**Corporate Social Responsibility (“CSR”) of Total Transport Systems Limited**” is titled as the “**CSR Policy**” and shall include any alterations, amendments, or modifications hereto from time to time.

Preamble:

CSR is a way of conducting business, by which a corporate entity visibly contributes to social good. Accordingly we also as a Company strive to integrate social and environmental concerns in our business operations through fulfilling our CSR Obligation diligently.

Objective:

The objective of this Policy is to articulate the Company’s philosophy of social responsibility, to define the area chosen by the Company to impact the Society with its efforts towards Corporate Social Responsibility and to define the governance & monitoring framework for ensuring effectiveness of the Policy.

This CSR Policy has been framed in accordance with the provisions of Section 135 and Schedule VII of the Companies Act, 2013 ("Act") read along with Companies (Corporate Social Responsibility) Rules, 2014 (“CSR Rules”) and further amendments thereto {collectively to be called as “CSR Provisions”}. This policy shall apply to all CSR activities undertaken by the Company as per the CSR Provisions.

Philosophy:

The Company’s objective is to ensure that its activities extend beyond business and include initiatives and endeavor to attain the goal of sustainable and overall development of the society by carrying out the activities covered in Schedule VII of the Companies Act, 2013 wherein the Company is carrying out its business operation.

Definitions:

“**Act**” means the Companies Act, 2013.

“**Board**” means the Board of Directors of the Company.

“**Company**” means Total Transport Systems Limited.

"**CSR** " means the activities undertaken by a company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the CSR Rules.

"**CSR Committee**" means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.

"CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

"CSR Expenditure" means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.

"Administrative overheads" means the expenses incurred by the company for general management and administration of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

"Net Profits" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act but shall not include (i) any profit arising from any overseas branch or branches of the Company (whether operated as a separate company or otherwise); and (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

"Society" means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.

"Trust" means a public charitable trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

Any term not defined above shall have the meaning assigned to it under the Act or the CSR Rules.

"International Organization" means an organization notified by the C.G as an International Organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 to which the provisions of the Schedule to the said Act apply.

"Ongoing Projects" means a multi-year project undertaken by a company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but those duration has been extended beyond one year by the board based on reasonable justification.

{Words and expressions used in this Policy and not defined specifically shall have the meanings respectively assigned to them under the CSR Legal Framework.}

Applicability:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and Rule 3 of CSR Rules, 2014, every company including its holding or subsidiary and a foreign company having its branch office or project office in India which fulfills the criteria specified in

sub-section(1) of section 135 i.e., having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall comply with provisions of Section 135 of the Act.

Constitution of CSR committee:

Pursuant to section 135(9) of the Companies Act, 2013 where the amount required to be spent by the company towards CSR activities does not exceed fifty lakhs the requirement for constitution of CSR committee shall not be applicable and the functions of such committee, be discharged by the Board of Directors.

Therefore, the company doesn't have a CSR committee as it is not applicable to the company to form CSR Committee. Also, whenever the company will require to form CSR committee as per the provisions of the companies Act, 2013 the same will be constituted by the company.

Implementation:

1. The Company shall undertake its CSR Activities directly itself or by contributing to any of the funds / institutions as envisaged under Schedule VII of the Act or through Implementing Agencies and/in in such manner as may be prescribed under the CSR Legal Framework.

Such Implementing Agency shall be either:

- A company under Section 8 of the Act, registered public trust or registered society established by the Company either singly or along with other Company and has valid registration under section 12A and 80G of the Income Tax Act, 1961.
 - A Company established under Section 8 of the Act, registered trust, or registered society, established by the Central or State Government.
 - Any entity established under an Act of Parliament or State Legislature.
 - A Company under Section 8 of the Act registered public trust or registered society with a valid registration under section 12A and 80G of the Income Tax Act, 1961 with an established track record of at least 3 years in undertaking similar activities. Provided that the aforesaid implementing agencies shall be considered eligible if it is in compliance with the provisions of the CSR Provisions.
2. The Company may also collaborate with other companies to undertake CSR Activities in such a manner that each company is in a position to report separately on such CSR projects.
 3. While partnering with the Implementing Agency, all requisite information and documentation as required under CSR Provisions would be obtained and necessary documentation would be completed.
 4. CSR programmes/ projects to be undertaken by the Company will be identified by the Board or any person authorized by the Board or CSR Committee if required to be formed by the Company.

5. The Board of Directors and/or any person authorized by the Board or CSR Committees of the Board if required to be formed by the Company from time to time, shall recommend the CSR programmes / projects, specifying modalities of its execution and the amount of expenditure to be incurred on the programmes/ projects.
6. Upon recommendations of the Board of Directors and/or any person authorized by the Board or CSR Committees of the Board if required to be formed by the Company from time to time, the Board shall:
 - Approve such CSR projects/programs and the amount of expenditure; or
 - Ratify CSR Activities and projects and the CSR expenditure committed and/or incurred basis the authority delegated by the Board or any Committees of the Board from time to time.
7. Notwithstanding anything contained to the contrary, The Board or any person authorised by the Board or CSR Committees of the Board if required to be formed by the Company from time to time, may identify the CSR Activities and projects and to commit and/or incur the CSR expenditure as per the Policy and CSR Legal Framework from time to time, which shall be presented to the CSR Committee for its noting and recommendation to the Board for its ratification.
8. The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as the CSR Committee and/or the Board may deem fit as well as for capacity building of the own personnel for CSR.

Responsibility of the Board:

1. **The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Provisions.**
2. The Board shall empower the Implementation Group to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings, or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes, and amendments to any such documents/ agreements as it may deem fit.
3. (i) Approving the CSR Policy, Annual Action Plan, CSR Activities and projects and the CSR expenditure; and (ii) Ratify CSR Activities and projects and the CSR expenditure committed and/or incurred basis the Board or by any authority delegated by the Board or CSR Committee if the Company of the Board is required to form.
4. The Board may alter annual action plan at any time during the financial year, based on reasonable justification to that effect;
5. The Board shall Ensure the CSR spending for every financial year of at least 2% (two percent) of average net profits made during immediately preceding 3 financial years, in pursuance with this CSR Policy. If the Company fails to spend the aforesaid amount, then the Board's Report prepared under Section 134 of the Act, shall specify the reasons for not spending the amount and transfer the same as specified under the CSR Provisions;

6. The Board shall ensure that CSR Activities included in the CSR Policy are undertaken by the Company and such activities are related to the activities specified in CSR provisions and that the CSR Activities are undertaken either by the Company itself or through Implementing Agency, as permitted under the CSR Provisions;
7. In case of ongoing projects, monitoring the implementation of the project in line with the approved timelines and year – wise allocations and shall be further authorized to make modifications thereto if required subject to the same being within the overall permissible time period;
8. The Board shall satisfy itself that the funds have been utilized for the purpose and in the manner, as approved by them and the Chief Financial Officer to certify to the effect;
9. The Board shall ensure the administrative overheads shall not exceed the limits specified under the CSR Provisions, presently being 5% (five percent) of total CSR Expenditure of the Company for each Financial Year;
10. The Board shall ensure any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and Annual Action Plan of the Company or transfer such surplus amount to the Fund specified in Schedule VII within the stipulated period of time;
11. The Board shall ensure that surplus or unspent amount earmarked for CSR in any financial year is given effect as required under the CSR Provisions
12. The Board shall approve the set off of the excess amount of CSR spent in a financial year, against CSR spent of upto immediate next three financial years;
13. The Board shall ensure that Directors' Report includes:
 - Contents of the CSR Policy and Composition of the CSR Committee,
 - An annual report on the CSR in the prescribed format,
 - **Reasons for failure (if any) to spend the required amount on CSR Activities.**

Key Thrust Areas and Approach to CSR Activities:

The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the activities outlined in Schedule VII as amended from time-to-time which interalia includes:

- (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly, and the differently abled and livelihood enhancement projects;
- (iii) 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

(iv) 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;

(v) 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;

(vi) 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;

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

(viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for social-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities, and women;

(ix) (a) 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; and

(b) 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).

(x) rural development projects

(xi) slum area development.

Explanation:- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation, and reconstruction activities.

Coverage and Selection of CSR Activities:

The CSR Activities shall be undertaken in locations within India and preferably within (but not limited to) the local areas around which the Company operates. The CSR Activities (“CSR Activities”) shall mean the activities undertaken by a Company in pursuance of its statutory obligation laid down under the CSR Provisions and shall not include activities specifically excluded under the CSR Provisions, presently being:

- projects or activities not falling within purview of Schedule VII;
- activities undertaken in pursuance of normal course of business of the Company;
- any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- direct or indirect contribution 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;
- activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and g. activities carried out for fulfilment of any other statutory obligations under any law in force in India.

CSR Expenditure:

In every financial year, the Company shall spend a minimum of 2% (two percent) of its average Net Profits of the immediately preceding three (3) financial years, as computed in accordance with the provisions of the CSR Legal Framework or such sums as specified under the CSR Provisions, towards CSR Expenditure. The administrative overheads shall not exceed the limits specified under the CSR Provisions, presently being 5% (five percent) of total CSR Expenditure of the Company for each Financial Year;

1. CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board.
2. The Board shall be responsible for sanctioning the CSR Expenditure and taking steps to ensure that the amount for the CSR Expenditure is available for application towards the CSR Activities.
3. The Board shall ensure that the CSR expenditure in a financial year is at least at two per cent of the average net profits of the Company made during the three immediately preceding financial years. Net Profit shall be calculated as per the provisions of the Companies Act, 2013 or such other legislation as may be applicable from time to time.
4. In order to count towards CSR Expenditure, CSR Activities must be carried out in India and should not be solely for the benefit of the employees of the Company and their families.
5. Any amounts contributed directly or indirectly to any political party under Section 182 of the Act will not count towards CSR Expenditure or considered a part of CSR Activities.
6. Any amounts expended while undertaking activities in pursuance of a normal course of

business of a Company or on an item not in conformity with or in line with activities set out in Schedule VII of the Act, will not form a part of CSR Expenditure.

7. Board shall ensure that expenditure, if any incurred towards any capacity building exercise internally or of Implementing Agencies through institutions with established track record of at least three financial years, as the case may be, shall not exceed five percent of the CSR Expenditure in one financial year.

Surplus arising out of CSR activities:

Any surpluses arising out of CSR projects or programmes or activities shall not form part of the business profits of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy.

Monitoring Process:

The Board shall institute a transparent monitoring mechanism for implementation of the Corporate Social Responsibility projects or programs or activities undertaken by the Company and significantly higher engagement for the community.

General:

Any or all provisions of the CSR Policy would be subject to revision/amendment by the Board of Directors of the Company, in accordance with the CSR Provisions and any other guidelines on the subject as may be issued by the Central Government from time to time. In case of any conflict between provisions of this Policy and the CSR Provisions, shall supersede.

Notwithstanding the absence of any provisions of the CSR Provisions in this Policy, the Company shall comply with such provisions as if they are part of the CSR Policy. The CSR Committee or any person authorized by the Board shall settle all queries, differences or doubts that may arise in relation to the implementation of the CSR Policy and CSR programmes / projects as may be approved by the Board.

Amendment:

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend, or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

Last amended by the Board on February 08, 2024
