

# CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



**RALSON (INDIA) LIMITED**



## 1. PREAMBLE

“Corporate Social Responsibility” (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the company’s operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.

In its endeavors to mutually achieve the said objective, the Companies Act, 2013 stipulates the provisions regarding mandatory adherence to the Corporate Social Responsibility practices by the prescribed companies.

Even before the issue of CSR became obligatory, Ralson (India) Limited was fulfilling the aspiration of the society through donations to charitable and academic institutions.

## 2. REGULATORY REFERENCE

- a) Section 135 of the Companies Act, 2013 (“the Act”);
- b) Companies (Corporate Social Responsibility Policy) Rules, 2014 (“the Rules”);
- c) Schedule VII to the Act.

## 3. CSR POLICY

This policy covers the activities to be undertaken by the company as its CSR activities in cohesion with those enunciated in Schedule VII to the Companies Act, 2013. It includes the corporate strategy towards CSR that focuses on making a positive contribution to the society through high impact and sustainable programs.

The policy shall be known as Corporate Social Responsibility Policy of the Company which is referred in this Policy as “the Policy” or “CSR Policy”.

## 4. CSR ACTIVITIES

**As per Schedule VII to the Companies Act, 2013, there are 10 specified generic categories of activities:**

- a) eradicating hunger, poverty and malnutrition, promoting 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;
- 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 centres 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, agro forestry, 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 arts and handicrafts;
- f) measures for the benefit of armed forces veterans, war widows and their dependents;
- g) training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- h) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- i) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government and;
- j) rural development projects.

The activities in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule.

## **5. EXCLUSION FROM CSR**

The CSR activities shall not include the following:

- a) The activities undertaken in pursuance of normal course of business of a company;
- b) CSR projects/programs or activities that benefit only the employees of the Company and their families;
- c) Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes and;



- d) Any CSR projects/programs or activities undertaken outside India.

## 6. CSR EXPENDITURE

Mandatory annual spending on CSR Activities in any particular financial year shall be “2% of the average of the annual net profits of the preceding three financial years.”

The corpus of the CSR activity would include the following amounts:

- a) 2% of the average net profits,
- b) any income arising therefrom, and
- c) surplus arising out of CSR activities.

The surplus arising out of the CSR activity will not be part of business profits of the company.

## 7. MODALITIES OF EXECUTION

- a) A four member CSR Committee has been constituted by the Board of Directors of the company as per the provisions of the Companies Act, 2013, for effectively carrying out the purpose of the policy.
- b) The CSR Committee shall decide the amount of expenditure to be incurred by the Company in a financial year on the activities mentioned in this CSR Policy. (Clause amended as per the recommendation made by the CSR Committee which was approved by the Board in its meeting held on 27<sup>th</sup> August, 2016).
- c) The Company may carry out the activities directly or through a registered trust, registered society or a company registered under Section 8 of the Companies Act, 2013.
- d) If such trust, society or company is not established by the Company, it may collaborate with other registered societies, trusts, Companies registered under section 8 of the Companies Act, 2013 etc for carrying out CSR activities provided that such societies, trusts, Companies shall have an established track record of three years in undertaking similar programmes or projects.

## 8. IMPLEMENTATION SCHEDULE

The CSR Committee constituted for the purpose will recommend allocation of funds for various projects from time to time.

The immediate focus of the Company is promotion of education for FY 2014-15 and onwards. The project will be implemented through supporting/ sponsoring education. It also includes aiding schools situated nearby manufacturing units of the Company including supply of computers to the school, scholarships, giving grants for construction of school buildings etc.



These initiatives are to be taken primarily in the vicinity of Company's operations with a view to ensuring their long term sustainability.

The Company will also consider contributing portion of CSR corpus to Prime Minister's relief fund for FY 2014-15 and onwards.

#### **9. MONITORING MECHANISM**

The CSR Committee will periodically review the implementation of projects approved, utilization of funds released to designated agencies to ensure compliance and efficient utilization of the funds for achieving the intended objectives.

The Board shall ensure spending of allocated amount on CSR activities and report the status in its annual report, also specify the reasons of not spending of the allocated amount, if any.

#### **10. DISCLOSURES**

The Board's Report shall include details of CSR such as members of the committee, CSR policy, projects on which CSR shall be spent, average profits for last three years, in case company fails to spend the prescribed amount - reasons for such failure etc.

#### **11. AMENDMENTS TO THE POLICY**

The provisions of the CSR Policy would be subject to revision /amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.