

**RMC SWITCHGEARS LIMITED**

**Policy on**

**Corporate Social Responsibility**

**(CSR POLICY)**

**(Effective from 02<sup>nd</sup> September, 2023)**



## **1 Introduction**

While RMC Switchgears Limited ("the Company") strives to achieve its business objectives, it has never lost sight of its commitment to play its role as an enlightened corporate citizen so as to achieve maximum social good. Corporate Social Responsibility has always been on its agenda. The concept of Corporate Social Responsibility has gained prominence from all avenues and is now even a statutory requirement pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company is requested to its Board Members in its Board Meeting to formulate and recommend a CSR Policy.

The Board has formulated, approved and adopted this Policy on Corporate Social Responsibility (CSR Policy).

This CSR Policy is applicable with immediate effect.

### **1.1 CSR Vision**

To maintain harmony between our organizational goals on one side and the nature and society on the other. Based on this, we seek to establish our organizational and environmental objectives and action plans each year and put them into practice thereby fulfilling our corporate responsibilities towards the society and environment by responding to the social needs as well as by implementation of on-going environmental improvements and promoting resource recycling.

A cleaner environment is also an integral part of every expansion course charted out by RMC. We strongly believe in the need to protect our environment and conserve natural resources for the future generations. Accordingly, we have taken a focused approach towards protecting the environment and have adopted preventive measures as a part of our operations.

### **1.2 Objectives of the Policy**

This Policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other



rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

**Environmental responsibility:** We have adopted green practices such as reducing our carbon footprint, using renewable energy sources, recycling waste materials, and minimizing water consumption. We also support environmental causes such as planting trees, cleaning beaches, and protecting wildlife habitats.

**Ethical responsibility:** We adhere to the highest standards of integrity, honesty, and fairness in all our business dealings. We respect human rights, labor rights, and diversity in our workplace. We also comply with all applicable laws and regulations in the countries where we operate.

**Philanthropic responsibility:** We donate a percentage of our profits to various charitable organizations that address social issues such as poverty, education, health, and disaster relief. We also encourage our employees to volunteer their time and skills to support these causes.

**Financial responsibility:** We ensure that our financial performance is transparent and accountable to our shareholders and other stakeholders. We also invest in sustainable and responsible businesses that create value for society and the environment.

### **1.1 Definitions**

In this Policy unless the context otherwise requires:

- (a) 'Act' means Companies Act, 2013;
- (b) "Corporate Social Responsibility (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 provisions contained in these rules, but shall not include the following, namely: -
  - i. activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs



and medical devices related to COVID-19 for financial years 2020- 21, 2021-22, 2022-23 subject to the conditions that-

- a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
- b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- ii. 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;
- iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- c) Ministry' means the Ministry of Corporate Affairs
- d) Net Profit' means net profit as defined in Section 135 of the Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014, as set out below: -  
  
Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
  - (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;



- (e) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

### **1.2 The Geographic reach**

The Company will give preference to conduct CSR activities in the Rajasthan, Maharashtra and such other State(s) in India wherein the Company has/will have its operations.

However, the Board may identify such areas other than those stated above, as it may deem fit, for undertaking CSR activities.

### **1.3 Annual spends/Allocation of Funds**

The Company would spend not less than 2% of the average Net Profits of the Company, calculated in accordance with the Section 198 of the 5 Companies Act, 2013, made during the three immediately preceding financial years.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

## **2. CSR Activities under Companies Act, 2013**

The Policy recognizes that Corporate Social Responsibility is not merely compliance; it is a commitment to work for social good through such activities as would enhance the social good in accordance with one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care and sanitation including contribution to the SwachhBharat Kosh set-up by the Central Government for the promotion of sanitation, and making available safe drinking water;
- ii. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such



other facilities for senior citizens & measures for reducing inequalities faced by socially & 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 4[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, 9[ 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 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. 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
- x. 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 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).]

xi. Rural development projects

xii. Slum area development (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.

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

xiv. Such other activities within the purview of Schedule VII of the Act as the Board deems fit.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

The Company may undertake in India, either new or ongoing, any one or more of the projects or programs or activities' (herein after referred to as 'Activities'), as may be decided by the Board from time to time.

### **3. Planning, implementation & monitoring**

After the Activities are approved, the Board may decide to undertake the Activities either by itself or through a registered trust or a registered society or a company established by the Company, or its holding or subsidiary or associate company, if any, or Company under section 8 of the Act or otherwise:

Provided that-

- i. The Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- ii. The Company may also collaborate with other companies for undertaking projects or programmes or CSR Activities in such a manner that the Board of the respective companies are in a position to report separately on such projects or programme in accordance with CSR Rules framed/amended from time to time, under the Companies Act, 2013.



In order to achieve the objective of maximum social good, the Board of the Company may ask the trust/society/company selected by it to act as a Nodal Agency to:

- i. Select appropriate activities falling within the purview of the respective CSR Policy of the Company for implementation and the same will be deemed to be CSR activity of respective Company;
- ii. Maintain separate accounts for Company's CSR activities and also a separate account for all other donations.
- iii. Receive contributions from the Company and depositing the same in specific bank accounts earmarked for this purpose;
- iv. Keep the Board of the Company informed about the progress/ experience/ constraints etc. in implementation of their particular Activities from time to time;
- v. Be available to the Board as may be required by the Board of the Company for any discussion/ reviews/ clarification regarding the Activities and related matters from time to time;
- vi. Get its Books of Accounts audited in respect of the Activities on behalf of the Company and submit the same periodically to the Board of the Company; and
- vii. The Nodal Agency shall regularly submit reports regarding the progress in implementation of CSR Activities and utilization of CSR contributions to the Board of the Company in the format and details as may be specified by the Board of the Company.

#### **4. Reporting in Annual Report**

- i. Annual Report on CSR activities & Sustainability shall be included in the Board's Report as per the formats notified in the Act.
- ii. Additionally, the CSR Policy of the Company along with a report on its CSR activities & Sustainability together with the ongoing projects, if any, shall be made available on the Company's website.
- iii. If the Company fails to spend the required amount on CSR Activity, the Board shall, in its report made under Section 134(3)(o) of the Companies Act, 2013, specify the reasons for not spending the amount.



- iv. Any surplus arising out of CSR activities shall be ploughed back into the same project or shall be transferred to Unspent CSR Account and shall be spent in pursuance of the CSR Policy or transfer such surplus amount to the Fund to be specified in Schedule VII of the Act within 6 months from the expiry of the financial year.
- v. Any excess amount may be set off against the requirement to spend upto immediate three succeeding financial years subject to the condition that the excess available for set off shall not include the surplus arising out of CSR activities, if any.
- vi. In case there is average CSR obligation of Rs. 10.00 Crore or more in the immediate three preceding financial years, the Company shall undertake impact assessment through an independent agency for projects of Rs. 1 Crore or more which have been completed not less than one year before undertaking impact assessment.

*(Note: Till the date of adoption of CSR Policy, the Company is not required to constitute CSR Committee as per Section 135(9) of the Companies Act, 2013 so the functions of CSR Committee shall be discharged by the Board of Directors of the Company).*

