

## **RESPONSIVE INDUSTRIES LIMITED**

### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **A. CONCEPT AND VISION**

**Responsive Industries Limited** believes that the true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people. The Company believes in reaching out to underserved communities and intends to make a positive difference to society and contribute its share towards the social cause of betterment of communities and areas in which the Company operates. The Company also believes in the trusteeship concept. This entails transcending business interests and grappling with the –quality of life| challenges that underserved communities face, and working towards making a meaningful difference to them.

At **Responsive Industries Limited**, our mantra is – ***We listen. We’re responsive.***

The Company believes and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of company’s CSR policy.

In this regard, the Company has made this policy which encompasses the Company’s philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and is titled as the –CSR Policy| which is based as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 initiated by the Central Government under the relevant provisions of Section 135 of the Companies Act, 2013 and Schedule VII of the said Act.

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, employment, promoting gender equality and women empowerment etc. more particularly described below.

#### **B. PREAMBLE**

This policy has been framed in accordance with Section 135 and other applicable provisions of the Companies Act, 2013 (the Act). This policy also covers rules amended under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. This policy is effective from 1st of April 2021.

#### **C. DEFINITIONS**

- a) “Act” means the Companies Act, 2013 (18 of 2013);
- b) “Administrative Overheads” means the expenses incurred by Responsive Industries Limited (RIL) 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;

- c) 'Annexure' means Format for the Annual Report on CSR activities to be included in the Board's Report for Financial Year commencing on or after 1<sup>st</sup> day of April, 2020. The format is enclosed as part of the policy.
- d) Corporate Social Responsibility (CSR) means and includes the activities undertaken by RIL 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 RIL;
  - ii) any activity undertaken by the RIL 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 benefiting 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;
- (e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act, 2013;
- (f) "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- (g) "International Organisation" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
- (h) "Net profit" means the net profit of a company as per its financial statement 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;

In case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

- (i) “Ongoing Project” 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 whose duration has been extended beyond one year by the board based on reasonable justification;
- (j) “Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

#### **D. CSR COMMITTEE**

CSR Committee is a board level Committee known as Corporate Social Responsibility Committee as referred to in Section 135 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constitution of the CSR Committee shall be as approved by the Board of Directors of RIL from time to time.

The Committee may invite other employees and may also use honorary services of external experts who have proven credentials in the field of community services. The Committee shall formulate the CSR policy, recommend the amount of expenses to be incurred in each CSR activity / project / programme and monitor CSR Policy on an annual basis.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy as per Rule 5(2) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and as amended from time to time, which shall include the following, namely:

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the amended CSR rules;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the RIL.

The Board of Directors of RIL may alter such a plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

## **E. CSR EXPENDITURE**

In accordance with Section 135 of the Companies Act, 2013 RIL is required to spend at least two per cent of the average net profits (calculated in terms of the applicable provision of the companies Act 2013) made during the three immediately preceding financial years towards CSR activities in accordance with the Policy. RIL shall carry forward the unutilized amount of the permissible limit of any year for its subsequent years, as permitted under CSR Amendment Rules 2021. If RIL fails to spend the amount as specified above in any financial year, the reason for not spending the same has to be given in the Directors report.

The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

Any Surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuant of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period six months of the expiry of the financial year as provided in Rule 7(2) of the CSR Amendment Rules, 2021.

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

1. A Section 8 Company, Registered Trust or Society with Charitable objectives having a CSR Registration Number;
2. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities;
3. A Public Authority.

In case any amount is spent towards CSR Activities in excess of 2% of average net profit, such excess amount shall be available for set-off upto immediate succeeding three financial years subject to the following conditions: -

- a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- b) the Board of the Company shall pass a resolution to that effect.

Capital Asset acquired for the same purpose must meet the above requirements within 180 days from 22nd January 2021 and can be extended for further 90 days by the Board of RIL on the basis of reasonable justification.

## **F. CSR IMPLEMENTATION**

1. RIL can grant donations to registered trust / Society or a Company established by RIL or RIL's holding or subsidiary or associate company under Section 8 of the Act or by such institutions as mentioned in the Act and Rules there under for implementing socially oriented projects.

2. RIL may undertake CSR activity either by itself or through: -
  - (a) a 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, or
  - (b) 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
  - (c) any entity established under an Act of Parliament or a State legislature; or
  - (d) 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.
3. RIL may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
4. RIL may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the amended CSR rules.
5. The Board of Directors of RIL shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
6. In case of an ongoing project, the Board of Directors of RIL shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

**G. PURPOSE OF CONTRIBUTION**

- a) Contribution towards CSR activity may, however, be granted as per the discretion of the Board of Directors of RIL and in accordance with the CSR Policy.
- b) Contribution should be given for a specific activity/ purpose rather than a general donation to discourage utilization of such funds at the discretion of the donee institution.
- c) Any contribution for meeting recurring expenses should be discouraged.
- d) CSR Activity shall cover following areas:
  - (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

- (ii) Promotion education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality and 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 building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts 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 recognized sports, Paralympic sports and Olympic sports;
- (viii) 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 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;
- (ix)(b) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) Rural development projects;
- (xi) disaster management, including relief, rehabilitation and reconstruction activities;
- (xii) slum area development where '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.

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.

- (xiii) Spending of CSR funds for carrying out awareness campaigns/ programmes or public outreach campaigns on COVID-19 Vaccination programme for the financial years 2020-21, 2021-22 and 2022-23 is an eligible CSR activity relating to promotion of health care, including preventive health care and sanitization.
- e) Contribution can be considered for motivating and ensuring involvement of masses for social upliftment and beneficial/ developmental activities by utilizing services of eminent figures/prominent personalities for lectures, tours etc.
- f) Any requests for high value donations will be considered carefully and on a very selective basis and granted only to highly reputed organizations/ institutions with proven track record.
- g) Preference shall be given to the local area and area around the registered office of the RIL, for spending the amount earmarked for CSR activities.
- h) The CSR activities undertaken in India only shall amount to CSR expenditure.
- i) CSR activities that benefit only the employees of the RIL and their families shall not be considered as CSR activities.
- j) Such other activities as are provided under Schedule VII of the Companies Act 2013 and as amended from time to time.

Further, RIL can also spend its CSR funds for 'setting up makeshift hospitals and temporary COVID care facilities' and for 'creating health infrastructure for COVID care', 'establishment of medical oxygen generation and storage plants', 'manufacturing and supply of Oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19'. Spending of CSR funds for COVID-19 is an eligible CSR activity as prescribed under Schedule VII of the Companies Act, 2013.

#### **H. EMPLOYEES VOLUNTARY SERVICES**

As part of community services, RIL may undertake some welfare activities and programmes, which have a high social content through its offices by way of voluntary efforts of the staff members.

These activities will showcase the RILs concern to the societal needs/ welfare and promote a sense of belongingness among the employees. Some of the activities/ programs are Blood donation camps, Medical camps, Tree Planting camps, Family planning, AIDS awareness camps, Adult literacy classes, Tree planting camps, Special programmes for children and Other educational and cultural activities.

These activities can be organized at corporate office or branches to make the observance of certain events for the welfare of underprivileged sections of the society.

When these voluntary service activities are held, reasonable expenses may be incurred in carrying out such activities as per the discretionary powers vested at various levels under the Scheme of Delegation of Financial Powers.

## **I. CSR REPORTING**

- a) The composition of the CSR Committee, and CSR Policy and Projects approved by the Board of RIL shall be displayed on the RIL's website for public access.
- b) If the CSR obligation of RIL is more than Rs. ten crores for the three immediately preceding financial years, then RIL would be required to hire an independent agency to conduct impact assessment of all their projects with outlays of rupees one crore or more and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- c) If impact assessment is taken by RIL, then RIL may book the expenditure towards CSR for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or Rs.50 lakh, whichever is less.

## **J. AMENDMENTS**

Any subsequent amendment/modification in the Companies (Corporate Social Responsibility Policy) Rules, 2014 initiated by the Central Government under the relevant provisions of Section 135 of the Companies Act, 2013 and Schedule VII of the said Act and/or other applicable laws in this regard shall automatically apply to this Policy. The amendments from time to time to the CSR Policy, if any, shall be considered by the Board of Directors of RIL based on the recommendations of the CSR Committee.