



RACL Geartech Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

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I. CORPORATE SOCIAL RESPONSIBILITY POLICY ('CSR POLICY')

This Corporate Social Responsibility Policy (hereinafter referred to as 'CSR Policy'), encompasses RACL Geartech philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programmes and activities towards such responsibilities.

II. VISION STATEMENT AND OBJECTIVE

1. The CSR Policy sets out RACL Geartech commitment towards ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, we propose to adopt the CSR Activities mentioned below.
2. In alignment with the above vision, RACL Geartech, through the CSR Activities, will endeavor to enhance value creation in the society and in the community, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.
3. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 and the rules issued thereunder.
4. The objective of this CSR Policy is to:
 - (i) Outline projects, programs and activities to be undertaken by RACL Geartech;
 - (ii) Specify the modalities of execution of such projects, programs and activities;
 - (iii) Monitor the process to be followed for such projects, programs and activities;
 - (iv) Directly or indirectly take up programs that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace; and
 - (v) Generate community goodwill for RACL Geartech and help reinforce a positive and socially responsible image, through our CSR Activities.

III. CSR COMMITTEE

1. The CSR Committee has been constituted in accordance with the provisions of the Companies Act, 2013, comprising of the 3 (three) Directors. The Company Secretary shall be the secretary to the Committee. The CSR Committee may invite other experts/ invitees as per its requirements.
2. The CSR Committee shall be responsible for:
 - (i) Formulating the CSR Policy, including the CSR Activities and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy;
 - (ii) Institute an implementation and monitoring mechanism for CSR Activities;

- (iii) Periodically updating the Board on the progress being made in the planned CSR Activities;
- (iv) Providing a responsibility statement in the Board's report.

IV. PROJECTS, PROGRAMS AND ACTIVITIES

1. CSR projects, programs and activities to be undertaken by the Company shall align with Schedule VII of the Companies Act, 2013 and other provisions of the companies Act, 2013 and the rules issued thereunder as amended from time to time.

The Company proposes to implement its CSR activities in various sectors stated hereunder:

- i. Eradicating hunger, poverty and malnutrition [promoting healthcare 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;
- ii. Promoting 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, 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;
- 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- 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 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. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- x. "Rural development projects."
- xi. Slum Area Development.

The Company will review the sectors from time to time in purview of the Companies Act, 2013 and make additions/deletions to the above sectors.

2. The Company has currently undertaken the following programmes under its CSR activities:

a. Promoting Education: The Company funds the School education of around 200 underprivileged children from Nursery to XII Standard along with making provisions for their Books, Stationery and Uniforms under its Project- Bright Tomorrow.

A Computer Training programme is also run by the Company to encourage IT Education and impart basic knowledge of IT.

b. Women Empowerment and Skill Development: The Company runs a project in the name of Shining Stars and provides Beautician Training to Girls and Women with an aim to open livelihood avenues for them, making them self-reliant.

c. Apart from the above ongoing projects, the Company also makes provisions for ration kit, blankets, warmers, etc. for the needy on yearly basis.

3. The Board shall ensure that appropriate designated staff or personnel provides adequate assistance (viz. data collection, survey, quotations and costs involved etc.) to the CSR Committee to enable it to make necessary recommendations to the Board. For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.

1. The CSR Committee shall undertake sufficient due diligence of each of the CSR Activity before it is implemented.

2. Based on the recommendations of the CSR Committee, the Board shall approve the following:

(i) The specific CSR Activities that should be undertaken from time to time;

(ii) The amount of the CSR Expenditure on each of the CSR Activity; and

(iii) Whether the CSR Activities will be undertaken directly or through an implementing agency or in collaboration with any other companies, including by availing services of any NGOs and record reasons for the same.

3. Activities undertaken in pursuance of the normal course of RACL Geartech business shall not be considered towards CSR Expenditure.

V. CSR EXPENDITURE AND ALLOCATION

The CSR expenditure spends by RACL Geartech Limited shall be as per the requirements of the Companies Act, 2013 and the CSR Rules, including notifications and clarifications issued thereunder for the CSR Expenditure.

The Board shall approve the allocation of the CSR Expenditure on the CSR Activities and to the extent possible, shall give priority to the local areas wherever RACL Geartech has its operations. CSR Committee shall spend the money as per the directions of the Board.

The Board and the CSR Committee shall preferably undertake ongoing projects in local areas around the locations of the Company.

The CSR Committee shall allocate the budget for the CSR Activities to be undertaken during the financial and decide upon the modalities of utilization of funds and implementation schedules for the projects or programmes.

VI. IMPLEMENTATION

1. The Board along with the CSR Committee shall be responsible for implementation of this CSR Policy.
2. *Vehicle for implementation*

We may undertake the CSR Activities either ourselves or through other qualifying Non-government organizations (“NGOs”) or agencies either established by the Company or otherwise provided the NGO should be Registered under 80G and 12A of the Income Tax Act, 1961 and has obtained the CSR Registration Number from the Ministry of Corporate Affairs as per the amendment in the CSR Rules, 2014. The projects, programs or activities identified by the CSR Committee and approved by the Board shall be implemented in a project mode. It involves assigning of responsibility and accountability. Suitable documents / agreements shall be entered into with NGOs and the other agencies for the purposes of implementation of the CSR Activity, in case the CSR Activity is proposed to be implemented through the third party agencies. The conditions of grant of amounts for all CSR Activities and the break-up of the allocations shall be set out and evaluated from time to time.

VII. MONITORING MECHANISM

1. To ensure effective implementation of the CSR projects, programmes and activities undertaken in terms of this CSR Policy, the progress of each such project, programme and activity will be reported to the CSR Committee with all requisite documentation on a half yearly basis, by the company (If the CSR Activity is proposed to be implemented by the company through its employees) or by other qualifying Non-government organizations (“NGOs”) or agencies, (If the CSR Activity is proposed to be implemented through the third party agencies).
2. A half yearly report on implementation shall be submitted to the Board by the CSR Committee.
3. The CSR Committee may conduct impact studies on a periodic basis, through independent professional third parties/professional institutions.
4. The CSR Committee shall also try to obtain feedback from the beneficiaries of the CSR projects, programmes and activities. If considered necessary, the effectiveness of the various programs/ activities undertaken under the CSR Policy may be got evaluated through external agencies for providing the required feed back and inputs to formulate and improve the programs in future.

VIII. REPORTING

1. The CSR Committee shall maintain proper minutes of all its meetings.
2. The CSR Committee shall prepare an annual report on CSR with such information and particulars as may be required by the Act and such report shall be included in the Board’s report annexed to the financial statements.
3. The Board’s report shall include an annual report on CSR containing such details as may be prescribed from time to time under the Act and the CSR Rules.
4. The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the CSR Rules are complied with.

IX. GENERAL

1. Any surplus arising out of the CSR projects/programs or activities shall not form part of the business profits of the RACL Geartech and shall be ploughed back into the same project or shall 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 a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year

2. The Board of the Company may pass a resolution for setting-off the excess amount spent for CSR; however, surplus arising out of CSR activities cannot be set-off. Set-off can be done for a maximum period of 3 succeeding financial years
3. All administrative expenses, including expenditure on wages and salaries, tours and travels, and training and development of personnel deputed on CSR Activities would be borne from CSR funds. However, the expenditure in a financial year for building CSR capacities of the personnel as well as the implementing agencies shall not exceed 5% (five per cent.) of total CSR Expenditure in such financial year.
4. If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the CSR Committee may, with approval of the Board, may discontinue funding the project at any time during the course of implementation and use such funds for any other project.
5. The CSR Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this CSR Policy.
6. CSR activities shall carry out in India only.

X. AMENDMENT

The CSR Committee is empowered to amend or modify the CSR Policy and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable law, at any time approve or alter, amend or modify the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.
