

# **RUCHI INFRASTRUCTURE LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

(Approved by the Board of Directors on 11<sup>th</sup> November, 2014)



## **A. Corporate Social Responsibility (CSR) – Philosophy:**

Ruchi Infrastructure Limited (Ruchi Infrastructure) has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally. The Company has taken up various Corporate Social Responsibility (CSR) initiatives and enhanced value in the society.

Social and environmental responsibility has always been at the forefront of Ruchi Infrastructure operating philosophy and as a result the Company consistently contributes to socially responsible activities. CSR at Ruchi Infrastructure portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute for social and environmental causes on a regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates. We are of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholders' lives.

With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company has formulated a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

## **B. Constitution of CSR Committee:**

Keeping in line with section 135 of the Companies Act, 2013 and the rules thereunder (hereinafter referred to as 'the Act'), the Board of Directors of the Company shall form a Corporate Social Responsibility Committee (herein after referred to as the 'CSR Committee') headed by an independent director, to *inter alia*, carry out the following functions:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
- b) To recommend the amount of expenditure to be incurred on the CSR activities.
- c) To monitor the implementation of framework of CSR Policy.
- d) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

## **C. Definitions:**

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
2. "Agency" (or Agencies) means any Section 8 Company or a registered trust/ society /NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.
3. "Approved Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
4. "Board" shall mean the Board of Directors of the Company.
5. "Company" shall mean Ruchi Infrastructure Limited and wherever the context requires, shall signify the Company acting through its Board.
6. "CSR Annual Plan" shall mean the annual plan detailing the CSR expenditure for the year.
7. "CSR Committee" shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.
8. "CSR Expenditure" means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee, including the following:
  - i. contribution to CSR Projects which shall be implemented and/or executed by the Company;
  - ii. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by Ruchi Infrastructure, Dinesh Shahra Foundation and associated organizations such as Shri Mahadeo Shahra Sukrat Trust etc.
  - iii. Any other contributions covered under Schedule VII to the Act.

Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR Expenditure.
10. "CSR Officer" shall mean the whole time person engaged by the Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.

11. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
12. "CSR Projects" or "Projects" means Corporate Social Responsibility projects/ activities/ programs/ initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.  
  
Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.
13. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
14. "Group Companies" means holding, subsidiaries and associates of the Company.
15. "Net profit" shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.
16. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
17. "Thrust Areas" shall have the meaning as ascribed to them as per provision G of the Policy.
18. "Trust" means a Trust created and registered under the India Trust Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group Companies.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

#### **D. Thrust Areas:**

While the Company is eligible to undertake any suitable/ rightful activity as specified in Schedule VII to the Act, however, at present, it proposes to undertake the relevant activities on priority basis in the following four Thrust Areas:

- Preventive Health Care
- Education
- Sustainable Livelihood Development
- Rural Infrastructure Development

#### **E. CSR Objectives and Projects:**

Ruchi Infrastructure will carry out/ get implemented its CSR activities projects through Ruchi Infrastructure, Dinesh Shahra Foundation and associated organizations such as Shri Mahadeo Shahra Sukrit Trust etc.

CSR Projects will be taken up in following core sectors covering areas near business sites and some projects having state wide and nationwide coverage:

**(i) Health :**

- Medical check up camps
- Need based projects such as Cataract detection
- Financial assistance towards surgeries and other medical expenses
- Medical Education and Awareness

All efforts will be geared towards Preventive and Primary Health Care.

**(ii) Education**

- Developing necessary skills among students to make them competitive
- Imparting modern education such as computer training
- Scholarships and aids to the needy students

All efforts will be geared towards creating better young citizens of India

**(iii) Sustainable Livelihood :**

- Empowering Women for better Livelihood
- Encouraging Vocational Skill Development and Entrepreneurial abilities
- Promotion of initiatives such as Self Help Groups
- Initiative especially among women, children, elderly and differentlyabled

All efforts will be geared towards enhancing Socio-Economic Stature.

**(iv) Rural Infrastructure:**

Infrastructure related to

- Water conservation and Recharge
- Drinking Water availability
- Upgrading Infrastructure for Education, Health and Sports
- Upgrading Infrastructure for primary Health and Hygiene Promotion
- Community Utility Infrastructure

All projects will be geared towards enhancing Rural Civic Amenities.

## **F. Identification of CSR Projects:**

1. CSR Projects need to be identified and planned for approval of the CSR Committee, in particular in Thrust Areas, with estimated expenditure and phase wise implementation schedules.
2. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
3. As a cardinal principle, the CSR Projects in Thrust Areas shall be identified on the basis of a detailed assessment survey.
4. The CSR Officer may engage external professionals/firms/agencies if required for the purpose of identification of CSR Projects.

## **G. Implementation of CSR Projects:**

The Company shall implement the identified CSR Projects by the following means:

### **I. Direct Method**

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The Company may also implement the identified Projects presently through its Foundation or Trust which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
3. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4. The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

### **II. Indirect Method**

1. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:
  - The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided
  - The Agency has an established track record of at least three years in undertaking similar programs or projects, and

- The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.
2. The Company may collaborate with other companies, including its subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

## **H. Monitoring Mechanism:**

The CSR Committee shall be responsible for monitoring of implementation of the policy, through appropriate executives and consultant, if deemed fit. Internal Audit and review as well as regular capacity building at all levels of execution/implementing partners and monitoring/ review committees will be done on regular basis.

## **I. Fund allocation and Others:**

### **A. Fund allocation**

1. The Company, in every Financial Year, shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned CSR Expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.
2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
  - a. Identified CSR Projects
  - b. CSR expenditure
  - c. Implementation Schedules
3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.
4. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Act.

### **B. Others**

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the Projects as per CSR objectives. However, there shall

not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.

2. The Managing Director of the Company is authorized severally to decide on Projects to be implemented within the allocation as per the Annual Plan.
3. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.
4. The Company may build CSR capacities of their own personnel or personnel of Dinesh Shahra Foundation or Shri Mahadeo Shahra Sukrat Trust, as well as those of the Agencies through institutions with established track records of atleast three Financial Years but such expenditure on capacity building shall not exceed 5% of the Approved Budget of the Company in one Financial Year.

## **J. Duties and responsibilities:**

### **I. Board of Directors**

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

### **II. CSR Committee**

- i. The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet atleast twice a year.
- ii. In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- iii. The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting in April/May of the following year for Board review and finalization.
- iv. The CSR Committee shall place before the Board in April/May every year a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company for inclusion in the Board's Report.
- v. The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan is displayed on the Company's website.

## **K. Review Periodicity and Amendment:**



- i. CSR Plan may be revised/ modified/ amended by the CSR Committee at such intervals as it may deem fit.
- ii. The CSR Committee shall review the Policy every two years unless such revision is necessitated earlier.

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