

ramco

RAMCO SYSTEMS LIMITED

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

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[Under Section 135(3) of the Companies Act, 2013 {Act} read with Companies (Corporate Social Responsibility Policy) Rules, 2014]

CONCEPT

The Company's philosophy on Corporate Social Responsibility (CSR) is that "as the organisation grows, the society and community around it should also grow".

VISION

The Company's vision is to contribute to the social and economic development of the communities in which it operates, resulting in building a better and sustainable way of life for the society at large.

APPLICABILITY

This policy shall apply to all CSR initiatives and activities taken up at various locations of Ramco Systems Limited (RSL), for the benefit of different segments of society.

OBJECTIVES

The objective of the CSR Policy is to

- a. Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- b. To generate, through its CSR initiatives, a community goodwill for RSL and help reinforce a positive & socially responsible image of RSL as a corporate entity.
- c. To formulate an Annual Action Plan.
- d. To select projects/programmes, manner of implementation and monitoring and reporting the same.
- e. To ascertain the need and impact assessment for the CSR projects undertaken.

AREAS OF INITIATIVES

The initiatives under the CSR Policy shall be in areas of

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 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 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, 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 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) (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

(b) 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).

- (x) rural development projects
- (xi) slum area development.
Explanation. - 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.
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

and such other activities as may be approved by the Companies Act or activities approved by the CSR Committee or Board of Directors of the Company in the said areas.

BUDGET

It shall be the endeavour of the Company to spend in every financial year at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its CSR Policy.

EXPENDITURE

The administrative overheads shall not exceed 5% of total CSR expenditure of the company for a 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 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.

If the amount spent in any financial year exceeds the requirement of 2% as stated above, such excess amount can be set-off against the CSR spending requirement for the immediately succeeding three financial years, subject to the following:

- * The excess amount shall not be the surplus arising out of CSR activities.
- * Board shall pass a resolution for setting-off.

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

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

Any amount remaining unspent under Section 135(5) of Companies Act, 2013, pursuant to any ongoing project, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

The CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities.

IMPLEMENTATION PROCESS

The CSR initiatives shall be undertaken by the Company as per its stated CSR Policy as Projects or Programmes or Activities (either new or ongoing).

The CSR activities shall be undertaken through a,

- (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, 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.

The Company shall undertake its CSR activities only through entities having a valid CSR Registration Number issued by Central Government.

The Company may also undertake multi-year projects ("Ongoing Projects"), 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.

The Board shall monitor the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation and shall make modifications, if required, for smooth implementation of the project within the overall permissible time period.

The Company 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 identifying the CSR Projects local area and areas around the Company's establishments shall be given preference.

The projects or programmes undertaken under the CSR Policy shall be monitored by the CSR Committee on a periodical basis.

IMPACT ASSESSMENT

When the company has an average CSR obligation of Rs.10 crores or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of Rs.1 crore or more, and which have been completed not less than one year before undertaking the impact study. Further, such impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.

The expenditure for such impact assessment can be accounted under CSR for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or Rs.50 lakhs, whichever is less.

CSR REPORTING

The Board's Report shall include an annual report on CSR containing particulars as per format specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board shall satisfy itself that the CSR Funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify the same.

Provided further that if the company fails to spend such amount, the Board shall, in its report made under section 134(3)(o) of the Act, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in section 135(6) of the Act, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

The CSR Policy and the annual report on CSR activities shall be reported as statutorily required and as warranted, such as Company's website, Annual Reports and this will also cover in the in-house journals and through the media if required.

REVIEW AND UPDATION OF THIS POLICY

This Policy shall be reviewed by the CSR Committee/ Board periodically. Changes in the Policy due to regulatory or legal requirements or based on such review shall be brought to the attention of the Board following the review by the CSR Committee.

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Date of approval of the Code by the Board of Directors: 09.11.2016

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