

Corporate Social Responsibility (CSR) Policy of Ramkrishna Forgings Limited.

(As amended in the Board Meeting dated 15th May 2021)

1. Concept

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also considering the social and environmental consequences. As a corporate citizen receiving various benefits from the society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing foods, clothes, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the Company operates.

2. Title & applicability

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, is titled as the "**Ramkrishna Forgings Ltd CSR Policy**". It has been prepared keeping in mind the Company's code of business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

This Policy shall apply to all CSR initiatives and activities taken up at the various work- centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

3. Policy Objective

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms. "CSR Policy" shall mean 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;

The main objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

4. CSR Committee

A. Composition:

The Corporate Social Responsibility Committee (CSR Committee) shall consist of three or more directors, out of which at least one shall be an Independent Director.

B. Role:

The CSR Committee, shall:

- i.** Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- ii.** Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
- iii.** To monitor the Corporate Social Responsibility Policy of the company from time to time.
- iv.** To recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities.
- v.** To formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy.
- vi.** To recommend the Board to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect.
- vii.** Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

C. Meetings:

The CSR Committee shall meet as and when deemed necessary, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least two meetings in a financial year.

D. Sitting Fees:

The Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors.

E. Quorum:

Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.

The CSR Committee may invite executives, advisors, representatives of social organizations, auditors of the Company and such other person (s) as it may consider necessary to attend the meeting.

F. Responsibility/Power of Board of Directors

The Board of Ramkrishna Forgings Limited will be responsible for:

- i.** Approving the CSR policy as formulated by the CSR Committee and Annual CSR Action Plan of the Company in pursuance of its CSR policy, which shall include the following:
 - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in the Company's CSR Policy;
 - the manner of execution of such projects or programmes;
 - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the Company
- ii.** Ensuring that in each Financial Year the Company spends at least 2% of the average net profit made during the three immediately preceding Financial Years.
- iii.** Ensuring that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementing Agency.
- iv.** Ensuring that in every Financial Year, funds committed by the Company for CSR activities are utilized effectively, and implementation is monitored on regular basis and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- v.** Ensuring disclosure of the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
- vi.** Disclosing in the Annual Report, the names of the CSR Committee members, the content of the CSR policy and ensuring annual reporting of its CSR activities on the Company's website.
- vii.** The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
- viii.** The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

5. List of Activities/Projects

The Company shall undertake any of the following activities/projects or such other activities/projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”):

- 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 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;
- vi.** promotion and development of traditional arts and handicrafts;
- vii.** 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 widow.
- viii.** Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;
- ix.** 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;
- x.** Contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- xi.** Rural development projects;
- xii.** 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.

The entries above are broad based and are intended to cover a wide range of activities and shall be interpreted liberally so as to capture the essence of the subjects.

- xiii.** 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.
- xiv.** 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
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 Organisation (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).
- xv.** disaster management, including relief, rehabilitation and reconstruction activities.
Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time. (Collectively hereinafter referred to as "CSR Activities").

The CSR Activities shall be undertaken only in India, except for training of Indian sports personnel representing any State or Union territory at national level or India at international level, for the benefit of the public and not only for the employees of the Company and their family. Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

6. Quantum of Amount to be spent on CSR Activities

- i.** For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.
- ii.** The Annual CSR Budget shall be spent on activities laid down in this Policy.
- iii.** “Administrative Overheads” expenses incurred by the Company will be used for ‘General Management & Administration’ of the 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.
- iv.** If the company spends an amount in excess of the requirements, such excess amount may be set off against the CSR obligation of the Company in the immediately succeeding three financial years subject to passing of the resolution by the Board to that effect.
- v.** Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company/Implementing Agency 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.
- vi.** Any surplus arising out of the CSR activities shall not form part of the business profit of the 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.
- vii.** If the company fails to spend the CSR amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII until a separate fund is specified by the Government, within a period of six months of the expiry of the financial year .

7. Implementation of CSR Activities

i. The Company shall undertake CSR Activities 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.

All the entities covered under (a) to (d) above must also be registered with the Central Government by filing Form CSR-1, electronically with the Registrar of Companies.

Provided that 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 collaborate with other companies for undertaking the CSR Activities subject to fulfilment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "Rules").

iii. The scope of this Policy will extend to activities as stated under Schedule VII of the Act. The scope of the Policy will also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose.

iv. CSR programmes will be undertaken by various work centers i.e. corporate office, units and other business places of the Company in India to the best possible extent within the defined ambit of the identified project/ program.

v. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

vi. The process for implementation of CSR programmes will involve the following steps:

Identification of programmes will be done by means of the following:

- (a) Need identification Studies by the Senior Management/ professional institutions/agencies.

- (b) Internal need assessment by cross-functional team at the local level.
- (c) Receipt of proposals/requests from District Administration/local Govt. etc.
- (d) Suggestions from the Board of Directors/senior management level.

vii. Project based approach:

The Company may follow a project based accountability approach to stress on the long term sustainability of CSR projects, where its action plan will be distinguished as '*Short-term*,' *Middle-Term & Long Term*; qualified as:

Short Term	-	<i>6 months to 1 year</i>
Medium Term	-	1 year to 2 years
Long Term	-	<i>Upto 3 years- 'Flagship programs'</i>

While identifying long term programs, all efforts must be made to the extent possible to define the following:

- a. Program objectives
- b. Baseline survey – It would give the basis on which the outcome of the program would be measured.
- c. Implementation schedules- Timelines for milestones of the program will need to be prescribed
- d. Responsibilities and authorities
- e. Major results expected and measurable outcome.
- f. Impact assessment

8. Procedure for CSR activities

- i. The Committee shall formulate and recommend to the Board suitable CSR activities to be undertaken during the financial year along with the annual action plan, which shall include:
 - 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
 - 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 company
- ii. The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;

- iii. The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.
- iv. CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. However, the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

9. Exclusions:

- i. The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.
- ii. The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.
- iii. The CSR projects or programs or activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019.
- iv. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.
- v. Expenses incurred by companies for the fulfilment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.
- vi. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services
- vii. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

10. Allied Matters

- i. With regard to CSR activities, Boards Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014.
- ii. The Company shall display on its website the composition of the CSR Committee, the CSR Policy and the projects approved by the Board undertaken thereunder as stated under Companies (Corporate Social Responsibility) Rules, 2014.

A. IMPACT ASSESSMENT

- i. Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the Annual Action Plan.

- ii. If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- iii. The impact assessment reports if applicable shall be placed before the Board and shall be annexed to the annual report on CSR.
- iv. Impact assessment if applicable may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

B. CAPITAL ASSET

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by -

- i. A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.
- ii. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- iii. A public authority

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with this requirement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

11. MONITORING AND FEEDBACK

- i. To ensure effective implementation of the CSR programmes undertaken at each work centre, a monitoring mechanism will be put in place by the work centre head.
- ii. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a monthly basis.
- iii. Work centres will try to obtain feedback from beneficiaries about the programs implemented at the area.
- iv. Appropriate documentation of the Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.

- v. CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made thereunder.

12. GENERAL

- i. In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.
- ii. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the government, from time to time.
- iii. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.