



# **RKEC Projects Limited**

Specialists in Construction of Bridges and Marine Works

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## CSR POLICY



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# Corporate Social Responsibility

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# CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

## For RKEC Projects Limited

### 1. INTRODUCTION

#### 1.1. RKEC Philosophy

At RKEC, we are committed to the 'Good & Green' vision of creating a more inclusive and greener India. We never lose sight of our responsibility to the environment and society. Our commitments towards [Corporate Social Responsibility](#) include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

#### 1.2. CSR in India

Corporate bodies' involvement in CSR activities is not a new concept in India. Industrial majors are engaged in social development activities since long back. However, the [Companies Act, 2013](#) has brought it under the legal purview. The concept of CSR is introduced through "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "the CSR Rules") lay down the framework and modalities for carrying out CSR activities which are specified in Schedule VII of the Act.

### 2. OBJECTIVE AND SCOPE

#### 2.1. Objective

The main objective of the CSR Policy is to lay down guidelines for **RKEC Projects Limited** to make CSR as one of the key focus areas to adhere to the Companies global interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

#### 2.2. Scope & Coverage

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

### 3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

#### 3.1. Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the [Corporate Social Responsibility \(CSR\)](#) Committee. The Members of CSR Committee

shall be appointed by the Board of Directors of the Company, which must consist three or more directors, out of which at least one director shall be an independent director.

[Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.].

Accordingly, the constitution of CSR Committee formed by RKEC PROJECTS Limited, India is as follows:

<b>S. No.</b>	<b>Name of the member</b>	<b>Designation in committee</b>	<b>Designation in RKEC Projects Limited</b>
1	Mr G Radhakrishna	Chairman	CMD
2	Mr G V Rammohan	Member	Director
3	Brig J K Rao, VSM	Member	Independent Director
4	Mr. R Jayachandra	Member	Chief Financial Officer

### **3.2. Functions and Powers of Committee**

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- a. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- b. Recommend CSR activities as stated under Schedule VII of the Act.
- c. Approve to undertake CSR activities, if necessary, in collaboration with RKEC Projects Limited, and to separately report the same in line with the CSR Rules.
- d. Recommend the CSR Budget.
- e. Spend the allocated CSR amount on the CSR activities in accordance with the Act and the CSR Rules.
- f. Create transparent monitoring mechanism for implementation of CSR initiatives in India.
- g. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- h. Monitor CSR Policy from time to time.
- i. Monitor activities/charter of Internal Working and Monitoring Group (WG) who are authorized to ensure that the CSR activities of the Company are implemented effectively.

- j. Authorize executives of the Company to attend the CSR Committee Meetings, if necessary.
- k. Monitor the CSR activities of the company and its implementation through CSR Trust.

### 3.3. Meetings of the Committee

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary;

- a. The CSR Committee shall hold a minimum number of **two meetings** in a year.
- b. The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- c. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
- d. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means as may be convenient.

## **4. CSR EXPENDITURE**

### 4.1. CSR Mandates

1. The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.
2. The CSR Committee shall recommend the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act and the Rules and the CSR Policy.
3. The Board shall be responsible for sanctioning the CSR Expenditure and along with the CSR Committee responsible for taking steps to ensure that the amount for the CSR Expenditure is available to the Implementation Group for application towards the CSR Activities.
4. Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.
5. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:
  - (i) activities undertaken in pursuance of normal course of business of the company any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  - (ii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;

(iii) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);

(iv) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and

(v) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

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

#### **4.2. CSR Activities**

The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the CSR Activities that fall under the categories specified under Schedule VII of the Act, are as given under:-

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation 4[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 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 8[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 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).

(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.

(xiii) Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.

#### **4.3. CSR Spend**

Net profit for the purpose of allocation towards CSR means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

#### **4.4. IMPLEMENTATION OF THE CSR POLICY**

a. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and recommended by the CSR Committee.

b. The CSR Committee shall approve reconstitution of an implementation group for the purposes of implementation of the CSR Activities approved by the Board from time to time (the "Implementation Group") and submitting report of the progress on the CSR Activities to the CSR Committee, which shall be further laid before the Board.

#### **Mode of Implementation**

The CSR Activities may be undertaken by the Company directly through its Implementation Group or with the prior approval of the Board, through any of the following entities as "Implementation Agency" being duly registered with the Central

Government and having a unique CSR Registration Number (with effect from 1 April 2021):

- (i) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company;
- (ii) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government;
- (iii) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar CSR activities; or
- (iv) Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature.

#### **4.5. Unspent CSR Amount**

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year. Treatment and reporting of unspent CSR amount at the end of each financial year shall be in accordance with the rules and regulations as stated under the law from time to time.

Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

## **5. CSR INITIATIVES**

Pursuant to Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

### **5.1. Annual CSR Plan**

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines inter alia the following aspects of CSR initiatives of the Company:

- Project Proposals
- Targeted Beneficiaries and their key needs
- Alignment with Schedule VII
- Project Goals and milestones
- Activities and Timelines including expected closure dates
- CSR Budget with projections, Funding and allocation

- Monitoring mechanism
- Progress reporting and frequency of reports
- Risks and mitigation strategies
- Any other information as may be required by the CSR Committee
- Long term projects of the company and its sustainability

### **5.2. Collaboration**

It is expressly allowed under the CSR Rules that the Company may collaborate with any other Company, NGOs, Government Agencies or Association formed in this regard, subject to approval by CSR Committee, to implement CSR activities and the same shall form a part of the Annual CSR Plan.

## **6. REPORTING AND PUBLICATION OF CSR POLICY**

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

## **7. MONITORING MECHANISM**

An Internal Working and Monitoring Team will be set up to ensure effective implementation and monitoring of the projects approved by the CSR Committee from time to time.

### **7.1 Reporting by Internal Working and Monitoring Team**

The Internal Working and Monitoring Team will report / give feedback to the CSR Committee for all CSR projects undertaken.

The Internal Working and Monitoring Team shall submit reports to the CSR Committee of the Company at least once in six months on the progress of the various projects approved by the Committee and entrusted to the Group for implementation and monitoring.

## **8. POLICY REVIEW AND FUTURE AMENDMENT**

The administration of the CSR Policy of the Company and the execution of identified CSR projects, programs and activities under it shall be carried out under the control and overall supervision of an internal monitoring group formed for this purpose.

Further, the Board of Directors may revise/ amend this CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.

<b>Approved by</b> :	<i>Board of Directors</i>
<b>Date:</b> :	

