

R K SWAMY LIMITED

(Formerly Known as R K SWAMY PRIVATE LIMITED & R.K.SWAMY BBDO PRIVATE LIMITED)

CORPORATE SOCIAL RESPONSIBILITY POLICY
(“CSR Policy”)**1. Objective:**

The objective of this Policy document is to articulate Company’s philosophy of social responsibility, to define the area chosen by the Company to impact the Society with its efforts towards corporate social responsibility and to define the governance & monitoring framework for ensuring effectiveness of the Policy.

This Policy has been prepared in consonance with Section 135 of the Companies Act, 2013, (“Act”) Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”) as amended. For the purpose of this Policy, the Act, the Rules and Schedule VII as amended from time to time, are hereinafter referred to as the “**CSR Legal Framework**”. The CSR Policy shall apply to all corporate social responsibility (“CSR”) activities undertaken by the Company as per the CSR Legal Framework.

2. PHILOSOPHY:

CSR is the Company’s commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Company believes that corporate development has to be inclusive and every corporate has to be responsible for the development of a just and humane society that can build a national enterprise.

3. APPLICABILITY

- i) The Company’s CSR policy has been developed as per Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India.
- ii) The policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII (Activities which may be included by Companies in their Corporate Social Responsibilities Policies) of the Act.
- iii) CSR Policy is also in accordance with the various clarifications and notifications of MCA issued till date.

4. CSR INITIATIVES AND ACTIVITIES

While the Central Government of India has spelt out the CSR activities under Schedule VII to the Act, in order to build focus and have more impactful execution, the Company’s CSR efforts will be primarily dedicated in following areas:

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:**

Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation.

- **EDUCATION:**

Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

- **GENDER EQUALITY AND WOMEN EMPOWERMENT:**

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.

- **ENVIRONMENTAL SUSTAINABILITY:**

Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to Clean Ganga Fund set – up by the Central Government for rejuvenation of river Ganga.

- **PROTECTION OF NATIONAL HERITAGE & CULTURE:**

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.

- **CONTRIBUTION TO GOVERNMENT FUNDS:**

Contribution to Prime Ministers 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 Government for socio – economic development and relief and welfare of Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.

- **SLUM AREA DEVELOPMENT**

Strengthening slum areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods.

- **DISASTER MANAGEMENT**

Disaster management, including relief, rehabilitation and reconstruction activities.

Any other such area as may be stipulated under the Act from time to time.

5. GOVERNANCE

As per Companies (Amendment) Act, 2020 board can discharge the functions of CSR Committee if amount to be spend by Company is less than fifty lakh rupees. The Board shall have the following powers:

- a. To formulate, an Annual CSR Action Plan in pursuance of its CSR policy and decide on the CSR activities to be undertaken by the company and approve the amount of expenditure to be incurred on the specified activities in a financial year;
- b. To monitor the Corporate Social Responsibility Policy of the company from time to time and formulate guiding principles for selection, implementation and monitoring of CSR activities;
- c. Board can alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect;

6. FUNDING, SELECTION, IMPLEMENTATION AND MONITORING AND THEIR GUIDING PRINCIPLES

A. Funding obligation:

The Board to ensure that 2% of average net profits during the three immediately preceding financial years is spent on CSR initiatives undertaken by Company.

If Company spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be **set-off** in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

B. Selection of activities:

The guiding principles for Selection of activities are:

- a. **Eligibility** - To ensure whether those implementing agencies have registered under section 12A and 80G of the Income Tax Act, 1961, have an established track record of at least three years in undertaking similar activities and have also filed form CSR-1 with the Registrar of Companies.
- b. **Sustainability** - Implementing agency has a track record of 3 years in undertaking similar programs or projects.
- c. **Goodwill** - Implementing agency shall have a goodwill in performing its activities diligently.
- d. **Law of land** - Implementing agency shall have a good stand in terms of Law of Land.

C. Implementation & Monitoring:

i. **Implementation:**

The Company may undertake, through a registered trust, Section 8 Company or a registered society, the CSR activities in identified areas and as per the provisions of the Act and Rules, framed thereunder.

The Company may also collaborate with other companies for undertaking projects/programmes/activities in such a manner that each company is in a position to report separately on such projects or programs in accordance with the Act and Rules made thereunder.

ii. **Guiding Principles for Implementation and Monitoring:**

- a. Accountability and Transparency
- b. Ethical Behaviour
- c. No conflict of interest
- d. Respect for stakeholder's interest - .

7. Guiding Principles for Annual Action Plan:

The preference for CSR programs is to be given by Company to local areas and areas around its operations.

Subject to the provisions of the Act, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset.

8. DISCLOSURES

Regular reporting and disclosure of all CSR activities will be a mandatory.. Company will also disclose the CSR projects /programmes /activities on the official website.

A brief summary of CSR initiatives will also be included in the Annual Report

9. CONDITIONS AND RESTRICTIONS

The Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/programmes/activities:

- CSR initiatives undertaken shall exclude activities undertaken in its normal business.
- The CSR initiatives shall be undertaken in India only
- The CSR activities that benefit only the employees of the Company and their families, shall not be considered and not qualify as CSR expenditure.
- Contribution of any amount directly or indirectly to any political party under Section 182, shall not be considered and not qualify as CSR expenditure.
- Activities carried out for fulfilment of any other statutory obligations shall not form part of CSR expenditure.

10. EFFECTIVE DATE

This policy was first approved by the Board of Directors on May 28, 2022

11. LIMITATION AND AMENDMENT

The Board of Directors may in their discretion, make any changes/modifications and/or amendments to this Policy from time to time.