

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 out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing education, foods, 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.

SHORT TITLE & APPLICABILITY

This policy, which lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "R N Gupta & Co.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, notified by the Ministry of Corporate Affairs vide Notification dated 27th February, 2014. This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

POLICY OBJECTIVE

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.

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. The CSR committee is being comprised of following members of the Board of Directors of the company:-

Avinash Gupta, Managing Director
Gaurav Gupta, Whole Time Director
Balvinder Kumar Sharma, Independent Director

The terms of reference of CSR Committee shall, inter-alia, include the following:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the company as per the companies act 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the company from time to time;

- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors as may be directed by the board of directors from time to time.”

b. Meetings

The CSR Committee shall meet as and when deemed necessary.

c. Sitting Fees

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

d. Quorum

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

- e. 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. List of Activities/Projects

- ✓ **Promotion of education** especially among children, women, elderly and the differently abled including:
 - Non-formal education programmes.
 - Supporting schools with infrastructure like benches, toilets, potable water, fans, DG set etc.
 - Supporting other educational institutions.
 - Improving educational facilities in general.
 - Supporting children for education.
- ✓ Eradicating hunger, poverty and malnutrition and sanitation and making available safe drinking water.
- ✓ Promoting health care including preventive health care by way of aid to the needy patients or establishing a fund with any hospital for this purpose or for meeting the infrastructure need of such institution.
- ✓ 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;
- ✓ 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;
- ✓ 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;

- ✓ Measures for the benefit of armed forces veterans, war widows and their dependents;
- ✓ Training to promote rural sports, nationally recognized sports, Paralympic and Olympic sports;
- ✓ 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;
- ✓ Contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- ✓ Rural development projects;
- ✓ 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")

Our approach to implementation

The Company may undertake CSR activities through a registered trust or society or any company, established by the Company, its holding or subsidiary Company under Section 8 of the Act for such non-for-profit objectives.

Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.

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

The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to 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.

If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report.

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.

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.

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- any income arising there from.

- surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

Monitoring

The CSR department will provide regular progress report on annual basis to the CSR Committee of the Board. This report would indicate:

1. Achievement since last progress report / during the last quarter in terms of coverage compared to the target and reasons for variance.
2. Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR Committee/Board to overcome the shortfalls.
3. Actual year-to-date spends compared to the budget and reasons for variance.
4. In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be mechanism of monthly reporting of progress on each such activities and the amount incurred thereon.