



Corporate Social Responsibility (CSR) Policy

RAJASTHAN ELECTRONICS & INSTRUMENTS LIMITED

JAIPUR

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1. CSR Importance & Mission Statement

1.1 CSR:

The Corporate Social Responsibility (CSR), in REIL, has always been a continuous commitment to the society at large and the various stakeholders.

It has now taken the shape of formal activity in compliance to the legal framework defined by the Government as per Companies Act, 2013.

CSR can be seen to be naturally ingrained in the business activities of REIL evident from its commitment to customers and by providing products for harmonious and sustainable development of society through Milk Analysis Instruments as well as Solar Photovoltaic Systems, leading to opportunities for livelihood and improvement in the quality of life of the community and society. It is worth mentioning that all stakeholders have been supporting REIL in this regard.

Economic development is possible only through growth in consumption of inputs available in the environment to the society. Since harnessing of natural resources also has a direct impact on the economy, the environment and society REIL has been putting in efforts in this regard right from date of its incorporation. Corporate Social Responsibility (CSR) thus happens to be synonym to REIL's all activities.

REIL's Mission Statement on Corporate Social Responsibility therefore is **"Be a Committed Corporate Entity, alive towards its Corporate Social Responsibility as per the emerging needs of the society."** This commitment will always continue to be beyond statutory requirements. Corporate Social Responsibility is, therefore, closely linked with REIL's activities of Sustainable Development. REIL will continue to put in efforts towards Corporate Social Responsibility beyond philanthropic activities and will put in efforts for the integration of social and business goals. REIL's activities need to be seen as those which would, in the long term, help secure a sustainable development.

1.2 OBJECTIVE:

The purpose of this policy is:

- To define CSR projects or programs which REIL plans to undertake and which fall within the purview of the Companies Act 2013, the Companies (CSR Policy) Rules, 2014 and Department of Public Enterprises Guidelines on CSR at annexure-I;
- Modalities of execution of such CSR projects or programs;
- Monitoring process of such CSR projects or programs;
- To make the stakeholders aware about CSR practices in REIL.

1.3 SCOPE:

- 1.3.1 This policy broadly covers all relevant clause(s)/ sections of the Companies (CSR Policy) Rules, 2014 and the Companies Act, 2013.
- 1.3.2 This Policy relates to the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the Company.
- 1.3.3 The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.

2. CSR ACTIVITIES/PROJECTS

2.1 REIL since incorporation is engaged in several areas of rural electronic, non-conventional energy systems & information technology by developing, manufacturing and marketing quality products and providing solutions for a better tomorrow and is committed towards holistic welfare of the society. In line with the CSR Policy statement (mentioned on page 6 below) the possible areas of activity of CSR would include following:

- i) Solar Lighting System.
- ii) Health and Family Welfare.
- iii) Pollution Control.
- iv) Relief of victims of Natural Calamities like earth-quake, cyclone, drought & flood situation in any part of the country.
- v) Adoption of villages.
- vi) Scholarships to meritorious students belonging to SC, ST, OBC and disabled categories.
- vii) Non-conventional Energy Sources.
- viii) Imparting Vocational Training.
- ix) Solar & Wind Power generated instruments to be given free of cost to selected Panchayats, Hospitals & Schools and improvement of water supply in the nearby localities.
- x) Environment friendly technologies.
- xi) Activities related to the preservation of the Environment / Ecology and to Sustainable Development.
- xii) Drinking water facility.
- xiii) Animal care.
- xiv) Promotion of art and culture.

Guide line of CSR Policy Rules 2014

CSR activities within the ambit of Schedule-VII of the Companies (CSR Policy) Rules, 2014 by taking note of enumerated in attached annexure

- eradicating hunger, poverty and malnutrition, healthcare including promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by Central Government for promotion of sanitation and making available safe drinking water:
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- 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 Central Government for rejuvenation of river Ganga.
- 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 and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, paraolympic sports 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 Caste, the Scheduled Tribes, other backward classes, minorities and women;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- rural development projects.
- Slum area development.

3. FUNDING & ALLOCATION:

3.1 FUNDING:

- 3.1.1 For achieving its CSR objectives through implementation of meaningful & sustainable CSR projects or programmes, REIL will spend 2% of the Average Net Profit made by the company during the three immediately preceding financial years. (Net profit to be calculated in accordance with the provisions of Section 198 of Companies Act, 2013).
- 3.1.2 The unspent CSR amount in a particular year would not lapse. It would instead be carried forward to the next year for utilization for CSR activities only.
- 3.1.3 CSR budget for the relevant financial year shall be approved by the Board.
- 3.1.4 Any surplus arising out of the CSR projects or programs or activities shall not form part of the Business profit of a company.

3.2 ALLOCATION:

CSR Budget will be utilized for the following heads on a year-to-year basis.

3.2.1 CSR Capacity Building Reserve

In line with the Companies (CSR Policy) Rules, 2014, up to 5% of CSR Budget of the year may be kept as CSR Capacity Building Reserve to be utilized for capacity building/enhancement initiatives of the company personnel as well as of the implementing agencies, through Institutions with established track record of at least three financial years.

4. COMPOSITION OF BOARD LEVEL COMMITTEE (BLC) FOR CSR:

- 4.1 The composition of the Corporate Social Responsibility Committee of the Board shall be notified from time to time, in terms of the provisions of Sub - section (1) of Section 135 of the Companies Act, 2013.
- 4.2 The present composition of the CSR Committee is - Independent Director as Chairman of the Committee, MD - REIL, Director (Production) - Instrumentation Ltd., Kota (ILK) and Financial Advisor - RIICO as member. Decision with regard to change in composition or reconstitution of the CSR Committee for CSR will be within the purview of the Board.

The CSR Committee shall

- (a) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the CSR Policy of the company from time to time.

5. IMPLEMENTATION, MONITORING AND REPORTING:

5.1 IMPLEMENTATION:

- 5.1.1 CSR programmes would be project based and will be undertaken by REIL within the defined ambit of Schedule VII of Companies Act, 2013 with focus on the heads as listed at Clause 2.
- 5.1.2 Project activities identified under CSR would be implemented as per the rules. Renewable Energy products in which REIL is dealing are very much related to CSR activities enumerated in Schedule VII of Companies Act, 2013.
- 5.1.3 The thrust of the Company would be in and around the state of Rajasthan where it is headquartered, while it may undertake its projects anywhere in the Country as per Company's requirement/imperatives vis-a-vis its stakeholders.
- 5.1.4 REIL would generate awareness among all levels of its staff about CSR activities and the integration of social processes with business processes. Those involved with the undertaking of CSR activities would be provided with adequate training and re-orientation.

5.1.5 Initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments / Agencies, Self-Help Groups, etc. would be synergized with the initiatives taken by the REIL.

5.1.6 The implementation of CSR projects shall be carried out with due consideration to the following.

5.1.6.1 CSR initiatives of REIL would consider the following parameters for identification / selection of schemes/projects:

- (i) Thrust would be given wherever possible to areas related to the business of the REIL such as infrastructure development through IT Projects & Solar Photovoltaic Systems.
- (ii) CSR activities would generate community goodwill, create social impact and visibility.
- (iii) For every project, the time-frame and periodic milestones would be finalized at the outset.
- (iv) CSR activities would also involve the suppliers in order to ensure that the supply-chain also follows the CSR principles.
- (v) CSR activities would help in building a positive image of the company in the public perception.
- (vi) REIL would shoulder responsibility for restoring / compensating for any ecological damage that is taking place as a result of its operations.
- (vii) Care would be taken to ensure that REIL work towards fulfilment of the National Plan goals and objectives, as well as the Millennium Development Goals adopted by our country, ensure gender sensitivity, skill enhancement, entrepreneurship development and employment generation by co-creating value with local institutions/people.
- (viii) REIL would redefine its business continuity plan to factor in hazards, risks and vulnerabilities. REIL would also create value in innovative social investments in the community and may focus on the areas of "Preparedness and Capacity Building" in Disaster Management (DM).

5.1.6.2 Every care would be taken to ensure that there is no duplication of CSR activities undertaken by the REIL with that of programmes run by Central, State and Local Governments.

5.2 MONITORING:

5.2.1 Periodic Monitoring of the CSR projects is very crucial and REIL would ensure the same.

5.2.2 The Board of REIL would discuss the implementation of CSR activities in their Board meetings.

5.2.3 REIL would include a separate paragraph / chapter in the Annual Report on the implementation of CSR activities/projects including the facts relating to physical and financial progress.

5.2.4 The performance of REIL with reference to its CSR activities may be monitored by the Ministry/ Department concerned on a regular basis.

5.2.5 As and when the CSR initiatives form part of MoU i.e. signed every year between REIL and DHI, the monitoring shall include compliance of MoU requirements.

5.2.6 REIL may appoint a CSR Committee or a Social Audit Committee or a suitable credible external agency for proper and periodic monitoring of CSR activities.

5.3 REPORTING:

5.3.1 An Annual Report on CSR containing details about the CSR policy and programmes implemented by REIL shall be included in the Board of Directors' Report for every FY, as per the format prescribed under the Rules to Section 135 of Companies Act, 2013.

5.3.2 The Performa containing the details of CSR activities to be undertaken by REIL will be annexed on an annual basis with the policy document.

5.3.3 If for some reason, REIL fails to spend 2% of the avg. net profit of the preceding three FYs on CSR, the reasons thereof, shall be furnished in the report of the Board of Directors under Section 134 (3) (o) of the Companies Act, 2013.

6. GENERAL PROVISIONS:

- 6.1 REIL shall execute all CSR activities and programmes in terms of the systems and procedures as detailed in the '*CSR Policy*' (as maybe notified from time to time) which are aligned/based on the provisions of Section 135 of the Companies Act, 2013, the CSR Rules and the subsequent clarifications and amendments as notified by Ministry of Corporate Affairs.
- 6.2 If necessitated, new CSR activities / projects can be taken up during the course of a year, in addition to CSR activities already incorporated in the CSR policy of REIL on annual basis, with the Board's approval based on the recommendations of the CSR Committee. The same would be treated as amendment to the policy.
- 6.3 No contribution shall be made to any political party through CSR Fund.
