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## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. Objective

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The objective of Corporate Social Responsibility (CSR) Policy at R Systems International Limited (RSIL) is to support our constant endeavour to bring about positive difference to communities where we exist. Through the CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth, thereby aligning with our goal to build RSIL into an organization which maximizes Stakeholder Value.

The Company would engage in activities whereby business further contributes to make a positive and distinguishing impact on the environment, customers, employees and other stakeholders.

The CSR Policy of the Company would develop a systematic approach to administer CSR activities undertaken as per the Policy.

### 2. Definition

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“Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the “Rules”), but shall not include the following, namely:

- i) activities undertaken in pursuance of normal course of business of the company;
- ii) 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;
- iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

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### 3. Core Areas of CSR

- 1) The CSR objective of the Company will be achieved through concentrated and dedicated initiatives encompassing the following identified core areas:
  - Education
  - Health & Medical Care
  - Community at large
  - Environment
  - Sports
- 2) Any other initiative/s which may not fall under the purview of the above core areas, but fall under purview of Schedule VII of Companies Act, 2013, as may be amended may also be taken up by the Company, subject to recommendation of the CSR Committee and approval by the Board members.
- 3) Alternatively the CSR Committee may choose to focus on any one or more of the above core areas for its efforts dedicated towards CSR.

### 4. Execution/Implementation and Monitoring Mechanism

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#### A. Execution/Implementation of CSR activities:

RSIL may conduct/implement its CSR activities through :

- a. its employees, a core CSR team may be formed by the CSR Committee for the same or/and
- b. Trusts, Societies, or Section 8 companies operating in India, whether set up by the Company itself or not or/and
- c. Collaborating or pooling resources with other companies/organisations to undertake CSR activities.
- d. Selection of any high potential organization and to support the same for undertaking CSR activities.

#### B. A sample list of Projects/initiatives to be undertaken would be as follows:

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##### EDUCATION:

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- Education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.
- Providing financial assistance to schools for construction/renovation/repair of hostels, school buildings, classrooms etc.

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- Digital literacy programs
  - Sponsoring computer education in schools.
  - To encourage the development of human capital of the Nation by expanding human capabilities through skills development (including soft skills & happiness skills), vocational training etc. and by promoting excellence in identified cultural fields.
  - Contribution or funds provided to technology incubators, located within academic institutions which are approved by the Central Government.
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## **HEALTH & MEDICAL CARE:**

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- Promoting preventive Health care measures and creating healthcare awareness,
  - Donation of ambulances to Medical Centres/Hospitals/NGOs, hearing aids/wheel chairs to physically challenged people,
  - Financial assistance and medical equipments to hospitals, dispensaries etc.,
  - Actively supporting healthcare programmes of nearby hospitals,
  - Initiatives during any pandemic/ epidemic as may be declared by the World Health Organisation (WHO).
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## **COMMUNITY AT LARGE:**

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- 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.
  - Rural development projects.
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## **ENVIRONMENT:**

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- Environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
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## **SPORTS:**

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- Promotion of rural sports, nationally recognised sports, Paralympic sports and Olympic sports.

The above is a sample list of activities and may be expanded by the CSR Committee anytime.

## **C. Corporate Social Responsibility (CSR) Committee**

Corporate Social Responsibility (CSR) Committee means a committee constituted by the Board, shall monitor the overall CSR initiatives of the Company. The responsibilities of the CSR Committee include:

- To formulate and recommend a CSR policy to the Board which shall indicate the activities to be undertaken by the company;
- To recommend amount of expenditure to be incurred on CSR activities ;
- To monitor the CSR policy/activities of the company.
- The CSR Committee shall formulate and recommend to the Board, an annual action plan.
- To carry any other duties as may be required under the Companies Act, 2013 and rules made thereunder and delegate by the Board of Directors from time to time

## **D. Monitoring Mechanism**

- The CSR Committee, shall prepare a transparent monitoring mechanism for ensuring implementation of the initiatives/ activities undertaken by the Company.
- Report on progress of the projects to be reviewed by the Committee and recommended to the Board .
- Based on the progress report placed before the Board and confirmations from the respective implementing agencies, Chief Financial Officer shall confirm to the Board of Directors of the Company that the funds disbursed have been utilised for the purposes and in the manner as approved by the Board of Directors, on yearly basis.

## **5. CSR Corpus**

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- The CSR Committee shall assign the corpus for CSR activities, which shall be invested to cover all the expenditures on CSR activities from the returns that the fund earns.
- CSR corpus to comprise of the following:
  - 2 percent of average net profits of the Company for the preceding three financial years
  - Profit/Surplus arising out of CSR activities

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- Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent as may be approved by the Board, within a period of six months of the expiry of the respective financial year.
  - Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that, the board passes a resolution for such set-off and the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of the Rules.

## **6. General Guidelines**

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- The CSR team shall produce and disseminate information on CSR to the public through different media, website of the Company as per the mandate of the CSR Committee.
- The Company shall adopt fair and inclusive practices throughout the operations and seek to eliminate all prejudice.
- Compliance with this policy shall be continuously monitored, reviewed and updated by the CSR Committee.
- The endeavour shall be given for undertaking CSR activities to the local areas in and around the area of operation of RSIL in India.

## **7. Changes and Modifications**

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Any changes and modifications in the policy to be at the discretion of the CSR Committee only.