

RAKSAN

CORPORATE SOCIAL RESPONSIBILITY POLICY

RAKSAN TRANSFORMERS LIMITED

(formerly known as Raksan Transformers Private Limited)

CIN: U31103DL1995PLC184910

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

This policy encompasses philosophy of Raksan Transformers Limited (RTL) towards corporate social responsibility and lays down the guidelines and mechanism for undertaking socially relevant programs for sustainable development of the community at large and also to comply with all the local regulations in that regard, is titled as the 'CSR Policy for Raksan Transformers Limited'.

POLICY OBJECTIVES

RTL has embarked upon the process of institutionalizing its commitment at being socially responsible with an aim of sustainable development of the society. The purpose of this policy is to define the company's vision, guiding principles, governance structures, strategy and programs for its corporate social responsibility efforts.

SCOPE

The provisions related to CSR are incorporated under Section 135 of Companies Act, 2013 (the Act) read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) and amendments thereunder time to time.

This Policy has been formulated under the above provisions of the Act and shall be applicable to all CSR initiatives and activities undertaken by the Company, for the benefit of different segments of society.

CSR VISION

To commit for enhanced value-creation for the society, stakeholders and the communities we live in, by taking up activities and initiatives for sustainable growth for the society, the safety and well-being of workers being deeply committed to socio economic development in its areas of operation.

DEFINITIONS:

In this Policy, unless the context requires otherwise,

- a. **'Act'** means Companies Act, 2013 and the Rules made thereunder, as amended from time to time,
- b. **'Company'** means Raksan Transformers Limited,
- c. **'Corporate Social Responsibility'** (CSR) means Corporate Social Responsibility as prescribed under section 135 of the Act and Rules made thereunder and further amendments thereto,
- d. **'Net Profit'** means net profit as defined under section 135 Act and the Rules made thereunder, as set out below:

Net Profit as per financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- i. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and

- ii. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
- e. **‘Ongoing Project’** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

Words and expressions used in this CSR Policy and not defined herein but defined under the Act shall have the meaning respectively assigned to them in the Act.

CSR ACTIVITIES

The Company is committed to support the CSR Activities undertaken in the following areas:

- eradicating hunger, poverty, malnutrition; promoting health care including preventive health care and sanitation and making available safe drinking water.
- promoting education, including special education or employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- 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.
- contribution to the prime minister's 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 or any state government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- 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
- 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 (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).
- rural development projects.
- disaster management, including relief rehabilitation and reconstruction.

- any activities or subjects specified in Schedule VII of the Act.

CSR COMMITTEE

Constitution of CSR Committee:

The CSR Committee shall consist of three or more Directors, as may be deemed fit by the Board. The Committee shall meet, whenever required, to discuss and review CSR activities and Policy. 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.

The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to invite such employee(s), senior official(s) and or external experts, as it may deem fit, to attend the CSR Committee Meeting(s). The Company Secretary, if any, shall act as Secretary to the Committee.

Scope & Functions of CSR Committee:

The functions / 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 Act;
- To recommend CSR activity / programme / project to the Board for its approval;
- 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;
- To review the CSR activities of the Company and provide progress update to the Board of Directors at such interval as may be deemed fit.
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors, from time to time.

GUIDING PRINCIPLES

The areas which company shall focus have been formulated as per the Guidelines on Corporate Social Responsibility (CSR) which is governed by Section 135 of the Companies Act, 2013. The CSR policy shall apply to all CSR programs/activities undertaken by the Company either directly or through any implementing agency.

The following are the Guiding Principles for Selection of CSR Activities:

- Projects should be designed according to intended impact on the society along with clear objectives and planned outcomes
- In undertaking CSR Activities, the Company shall give preference to the local areas wherein the Company operates.
- There should be due consideration of any material risk factors before selecting of projects. These risks should be duly mitigated and managed on a regular basis.
- The Company shall undertake only such CSR Activities,
 - a) as are identified under this Policy and

b) as are permitted under the Applicable Laws.

- The Company shall endeavour utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.

CSR EXPENDITURE

- Provisions of Section 135 (5) of the Companies Act, 2013 provides that the Board of Directors of the Company shall ensure that the Company spends, in every financial year, at least two percent of the average net profits (before tax) of the Company made during the three immediately preceding financial years. Thus, the expenditure for CSR activities shall be decided on annual basis i.e. 2% (two percent) of the average net profits (before tax) of the Company made during the three immediately preceding financial years.
- CSR Budget shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR focus areas and shall ensure that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for the financial year.
- Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.
- In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.
- In case the company spends an amount in excess of requirement provided under Section 135 (5) of the Companies Act, 2013, such excess amount may be set off against the requirement to spend under Section 135 (5), up to immediate succeeding three financial years subject to the conditions that –
 - a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - b) the Board of the company shall pass a resolution to that effect
- Further, the Board of Directors of the Company shall satisfy itself that that the funds so disbursed/proposed as CSR Budget have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for

financial management in the Company shall certify to the effect.

DISQUALIFYING ACTIVITIES FOR CSR

The Companies (Corporate Social Responsibility) Amendment Rules, 2021 prohibit the CSR projects and programs:

- That is implemented by RTL for benefit of the employees of RTL and their families
- The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report.
- Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend.
- Activities that are undertaken by RTL in pursuance of its normal course of business will not be considered as CSR activities.
- Expenses incurred by companies for the fulfilment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.
- Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013.
- Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.
- activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.

IMPLEMENTATION AND MONITORING MECHANISM

The Board shall be responsible for implementing the mandate of the CSR Policy and monitoring the CSR activities so that they are carried out in accordance with the CSR Policy read with the Companies Act, 2013 and CSR Rules (including amendments thereof) and the Annual Action Plan as approved by the Board of Directors of the Company from time to time.

The following are the Guiding Principles for implementation and monitoring of its CSR Activities:

- The Company can either directly or through an implementation agency as allowed under the Act will undertake the CSR activities.
- While engaging an implementation agency, the Company will check if the implementing agency has obtained the CSR Registration number from Ministry of Corporate Affairs.
- The Company while collaborating with any implementation agency for undertaking projects or programs or CSR activities will ensure that it is in a position to report separately on each CSR projects or programs.

REPORTS

Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report. The format of the Report shall be the format prescribed under the Companies (CSR) Amendment Rules, 2021.

ANNUAL ACTION PLAN

The company shall prepare Annual Action Plan recommending the activities to be undertaken in CSR policy involving:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the Company.

The CSR Committee shall formulate and recommend to the Board, an annual action plan for each financial year in pursuance of its CSR policy.

Provided that Board may alter such plan at any time during the financial year as per the recommendation of its CSR Committee based on the reasonable justification to that effect. The CSR initiative of the company shall not be limited to above guidelines, preference shall be also given to the upliftment and development of the local surroundings.

Further, the Guiding Principles required to formulate the Annual Action Plan are as follows:

- CSR programs shall not include activities as restricted under the amended Companies (CSR Policy) Rules.
- The preference for CSR programs is to be given by the Company to local areas and areas around its operations.
- Annual Action Plan shall be simple and action oriented.
- The CSR activities will be carried out directly or through an implementing agency.

PUBLICATION OF CSR POLICY & PROGRAMMES

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 RTL's website, if any.

POLICY REVIEW & FUTURE AMENDMENT

The CSR Committee may review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board of Directors.

Note:

- 1) Revised CSR Policy approved in the Board Meeting held on August 13, 2025.
