



N. RANGA RAO & SONS



POLICY ON
CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility [CSR] Policy

(As approved by the Board of Directors on 4th May, 2016)

1. Concept

1.1 .Short title and applicability

1.1.1. This CSR policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the 'NRRS CSR Policy'.

1.1.2. This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of the society - a key stakeholder of the company.

1.1.3. This policy and the operational guidelines issued herein are subject to and pursuant to the provisions of the Companies Act, 2013 (Act) and the Schedules, rules and regulations made thereunder.

1.2 . CSR objective, vision and mission statements

1.2.1. NRRS believes in the philosophy of 'giving back' to society as a measure of its gratitude for what it gives to the Company. In view of this, the company's corporate social responsibility (CSR) aims to extend beyond charity and enhance social impact.

1.2.2. The company's CSR vision:

- To help people with various challenges including social and economic challenges and to integrate them into the mainstream society and
- To participate in projects with business aligned innovation and social initiatives

The company's CSR mission:

Promoting a sustainable and equal society around us by being committed to creating and supporting programmes that bring about sustainable changes through education, skill development and health care systems.

1.3 . CSR committee

1.3.1. The board of directors of the company will constitute a CSR committee. The committee shall:

- Comprise at least 3 directors. The CSR committee of the Company is as per Annexure A





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- Adopt this CSR policy and monitor its implementation and the programmes thereunder
- Meet at such intervals as may be required or expedient including once at the end of the financial year
- Approve and adopt the CSR report for publication in the annual report of the company
- Do such other things and acts as may be required for the implementation of the policy, matters connected therewith or incidental thereto

1.3.2. The Chairman and Chairman Emeritus of the Company shall be a permanent invitee/s to the committee. The company secretary shall act as secretary to the committee.

2. Resources

2.1 Funding and allocation

2.1.1. For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, NRRS will allocate 2% of the average net profits of the company made during the three immediately preceding financial years computed in accordance with the provisions of the Act, as its annual CSR budget. Any surplus generated from CSR projects undertaken by the Company will be channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

2.1.2. Further, the contributions received from the associates of the company, its holding company and its subsidiaries, customers and their representatives and other stakeholders will be utilized for the CSR activities identified by the Company.

3. Planning

3.1 Identification of thrust areas and strategic initiatives

3.1.1. The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. For purposes of focusing its CSR efforts in a continued and effective manner, the following thrust areas have been identified:

- Promoting education including special education to persons with disabilities;
- Enhancing environmental and natural capital;
- Supporting rural development;
- Providing healthcare facilities and preventive healthcare;
- Providing sanitation and drinking water;
- Creating livelihoods for people, especially those from disadvantaged sections of society, in





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- rural and urban India;
- Preserving and promoting sports;
- Empowerment of Women;
- Promotion and development of traditional arts and handicraft;
- Contribution to Prime Minister's Relief Fund or any other fund set up by the Central Government or State Government for social economic development
- Social business projects

3.1.2. The committee may modify, restrict or enlarge the thrust areas from time to time within the parameters fixed by the Act.

3.1.3. The actual distribution of expenditure among these thrust areas will depend upon the local needs as may be determined by the need Identification studies or discussions with local government bodies, citizen's forums, NGOs.

4. Implementation

4.1. CSR programmes will be undertaken to the optimum extent within the defined ambit of the identified 'thrust areas'

4.2. The time period or duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

4.3. Programmes which involve considerable financial commitment and are undertaken on a timeframe of 2-5 years, will be considered as 'flagship programmes' and accorded enhanced significance.

4.4. By and large, it may be ensured that all of the CSR programmes are executed in India, preferably in and around the areas adjoining NRRS locations.

4.5. Initiatives of state governments, district administration, local administration as well as central government departments and agencies and self-help groups and NGOs would be dovetailed and synergized with the initiatives taken by NRRS.

4.6. The process for implementation of CSR programmes will involve the following steps:

4.6.1. Identification of programmes at corporate and location level will be done by means of the following:

- a) Need Identification studies by professional institutions and agencies





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- b) Internal need assessment by cross-functional team at the local level
- c) Receipt of proposals and requests from district administration, local government etc.
- d) Discussions and request with local representatives, civic bodies, citizen's forums.

4.7. Executing agency and partners

4.7.1. NRRS will seek to identify suitable programmes for implementation in line with the CSR objectives of the company and also benefit the stakeholders and the community for which those programmes are intended. These works would be done through:

- i. Charitable foundation established by the NR Group & others
- ii. Community based organizations whether formal or informal
- iii. Elected local bodies such as panchayats
- iv. Voluntary agencies (NGOs)
- v. Institutes and academic organizations
- vi. Trusts and missions
- vii. Self-help groups
- viii. Government, semi-government and autonomous organizations
- ix. Standing conference of public enterprises (SCOPE)
- x. Mahila mandals and samitis
- xi. Contracted agencies for civil works
- xii. Professional consultancy organizations
- xiii. Chambers of commerce and industry

4.8. Criterion for identifying executing agency

4.8.1. While identifying programmes, the locations concerned will also identify the external agency who would execute the said programme. In case of programme execution by NGOs or voluntary organizations the following minimum criteria need to be ensured:

- The NGO or agency has a permanent office or address in India;
- The NGO is a registered society under societies' registration act or other legislation;
- Possesses a valid income-tax exemption certificate;
- The antecedents of the NGO or agency are verifiable and subject to confirmation.





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5. Monitoring and feedback

5.1. To ensure effective implementation of the CSR programmes undertaken, the progress of CSR programmes under implementation will be reported to CSR committee on a half-yearly basis.

5.2. The CSR personnel/department at the corporate office will conduct impact studies on a periodic basis, through independent professional third parties or professional institutions, especially on the strategic and high value programmes.

5.3. Appropriate documentation of the NRRS CSR policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain. These will also be subject to audit as required by law.

5.4. CSR initiatives of the company will also be reported in the annual report of the company and filed with the relevant statutory authorities as required by law.

6. General

6.1. In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to the CSR committee. In all such matters, the interpretation and decision of the CSR committee shall be final.

6.2. This CSR policy document will be reviewed from time to time and any changes in accordance with the guidelines on the subject as may be issued from government, if necessary, will be approved by the CSR Committee of the Board.





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Annexure- 1

Corporate Social Responsibility Committee

(As constituted by the Board of Directors of N. Ranga Rao & Sons Private Limited at their Board Meeting held on 04th May, 2016)

| Sl. No | Name | Designation |
|--------|--------------------------------------|-------------|
| 1 | Arjun Murthy Ranga, Chairman, NRRSPL | Chairman |
| 2 | R Guru, Chairman Emeritus | Member |
| 3 | Pavan Guru Ranga, Director | Member |
| 4 | Vishnu Das Vasu Ranga, Director | Member |
| 5 | Kiran Vasu Ranga, Director | Member |
| 6 | Anirudh Murthy Ranga, Director | Member |

