



CSR Policy of KRC

1. PREAMBLE

1.1 The Corporate Social Responsibility (CSR) Policy of Kutch Railway Company Limited (hereinafter referred as KRC) is issued within the framework mentioned hereunder:

- a) Section 135 of the Companies Act, 2013 (hereinafter referred as Act)
- b) The Companies (Corporate Social Responsibility Policy) Rules 2014 (hereinafter referred as Rules)
- c) Schedule VII of the Companies Act, 2013 & Amendment to Schedule VII (hereinafter referred as Schedule) and
- e) General Circular No. 21/2014 issued by Ministry of Corporate Affairs (hereinafter referred as MCA) on the subject.

1.2 This Policy is consistent with the Act and the rules on CSR framed by MCA and the policy directions on the subject issued by the Government from time to time.

1.3 Whenever any amendments are made by MCA on the subject, the same shall be duly incorporated in the policy document. As per the Act, modification/amendment to the policy will be approved by the Board of Directors of KRC on the recommendation of the CSR Committee of the Board.

2. AIMS & OBJECTIVES

2.1 Corporate Social Responsibility is KRC'S commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable and responsible manner that is transparent and ethical. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and society at large.



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- 2.2 CSR Policy is aligned and integrated with KRC's business goals, plans and strategies. The philosophy and spirit of CSR shall be embedded in the core values of the Company, be imbibed by the employees at all levels and it shall permeate into all the activities, processes, operations and transactions of the enterprise.
- 2.3 The CSR Policy addresses social, economic and environmental concerns and the selection of specific activities shall focus on social, economical and environmental impact thereof. KRC will strive to contribute to inclusive growth and sustainable development by taking up development of backwards regions, empowerment of communities which have since long been socially marginalised, upliftment of underprivileged sections deprived of recourses even for fulfilling their basic needs in health, nutrition, clothing, shelter, education, cleanliness, sanitation etc.
- 2.4 In implementing the CSR Policy, KRC shall extend its reach and oversight to the entire supply-chain network to ensure that as far as possible the suppliers, vendors, service providers, clients, and partners are also committed to the same principles and standards of CSR as KRC itself. For the CSR agenda to be internalised in the organisation, the employees at all levels in KRC will be educated to the need for conducting business in a manner that is economically, socially and environmentally sustainable. KRC will devise internal communication strategies to spread awareness of CSR amongst the employees, providing them with education and training necessary for attitudinal change and their being conversant with socially and environmentally sustainable methods and practice of doing business, and adopting motivational tools to provide the right momentum to push all such initiatives.

3. FOCUS AREAS

In accordance with the requirements under the Companies Act, 2013, KRC's CSR activities, amongst others, will focus on:



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- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) 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;
- (v) 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;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- (viii) 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;



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- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects
- (xi) Slum area development

4. COMPOSITION OF CSR COMMITTEE

The CSR Committee of the Board shall comprise of the following members:

1. Shri Alok Tewari
2. Capt. Unmesh Abhyankar
3. Dr. Meenu Dang
4. Shri M. S. Balani
5. Shri A. P. Mishra

Members of the committee shall elect its chairperson and convener.

*** *The committee is reconstituted in the 55th Board Meeting held on 23.06.2015 and the following were nominated to the committee:***

1. Shri Rahul Agarwal, Director – Convener
2. Dr. Monica Agnihotri, Director
3. Shri Raj Kumar Sarkar, Director
4. Shri M. S. Balani, Director
5. Shri A. P. Mishra, Managing Director

5. UNDERTAKING CSR ACTIVITIES

KRC will undertake its CSR activities as recommended by the CSR Committee and approved by KRC Board of Directors (BOD).



6. LOCATION OF CSR EFFORTS

The CSR Committee will recommend on the location of CSR Activities and KRC Board of Directors will take final decision.

7. RESPONSIBILITY OF THE COMMITTEE

The responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken
- Recommending the amount of expenditure and the CSR Activities, and
- Monitoring CSR activities from time to time.

8. BUDGET & EXPENDITURES

8.1 As per sub section (5) of the act, KRC shall, with the approval of the BOD make budgetary allocation of the CSR activities for the year, which will be at least 2% of the "average net profits" of KRC made during the three immediately preceding financial years. KRC will strive to maximise its spending on CSR activities. KRC will specify reasons, if it fails to spend 2% of the average net profits of the last three financial years, in its Annual Report.

8.2 CSR expenditure shall include contribution to corpus/trust/society/section 8 Companies created exclusively for undertaking CSR projects or programs approved by the BOD.

8.3 Salaries paid by KRC to its regular CSR staff as well as volunteers, in proportion to time /hours spent specifically on CSR, can be factored into CSR project cost as part of CSR expenditure.

8.4 Expenditure incurred on capacity building programmes such as training, workshops, seminars, conferences etc through reputed



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institutions and on corporate communication strategies for engagement of all stakeholders, whether internal or external, to implement the CSR agenda of KRC would be accounted for as CSR expenditure but such expenditure shall not exceed 5% of total CSR expenditure in one financial year.

- 8.5 Expenditure incurred on base line survey, needs assessment study, monitoring & audit, social impact assessment studies etc would be accounted for as CSR expenditure from the budget allocated.

9. REPORTING AND DISCLOSURES

As per clause (o) of sub section (3) of section 134 of the act, KRC shall report and disclose the contents of CSR Policy and CSR activities implemented by KRC for the benefit of all stakeholders through the following:

- (i) Official website : www.kutchrail.org
- (ii) Annual Report
