

CORPORATE SOCIAL RESPONSIBILITY POLICY – GOVERNED IN TERMS OF SECTION 135 READ WITH APPLICABLE RULES MADE THEREUNDER AND SCHEDULE VII OF THE COMPANIES ACT, 2013

1. CORPORATE SOCIAL RESPONSIBILITY (CSR) PHILOSOPHY

Social and environmental responsibility has always been at the forefront of Texmaco Rail & Engineering Limited ('Texrail') operating philosophy and as a result the Company consistently contributes to socially responsible activities. As a responsible corporate citizen, we try to contribute for social and environmental causes on a regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behaviour towards its employees, consumers and societies in which it operates. We are of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholders' lives.

The Company's Corporate Social Responsibility Policy is rooted in the Company's core values of quality, reliability and trust guided by international standards and best practices, and driven by our aspiration for excellence in the overall performance of our business.

2. CSR VISION STATEMENT AND OBJECTIVE

- (a) Develop meaningful and effective strategies for engaging with all stakeholders;
- (b) Consult with local communities to identify effective and culturally appropriate development goals;
- (c) Partner with organizations like trusts, foundations etc. including non-government organizations;
- (d) Check and prevent pollution; recycle, manage and reduce waste, manage natural resources in a sustainable manner;
- (e) Ensure efficient use of energy and environment friendly technologies;
- (f) create value in society and community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community.

3. CONSTITUTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

3.1. The Corporate Social Responsibility Committee shall consist of three or more Directors amongst which one shall be an Independent Director.

3.2. The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

3.3. The Committee shall:-

3.3.1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 in specific and activities that may be covered under CSR but not mentioned in Schedule VII of Companies Act, 2013.

3.3.2. Recommend the amount of expenditure to be incurred on the CSR activities from time to time.

3.3.3. Monitor the Corporate Social Responsibility Policy and initiatives of the Company from time to time.

3.3.4. Any other matter as may be considered expedient by the Members in furtherance of and to comply with the CSR Policy of the Company.

3.4. The Board of Directors shall ensure that the Company spends at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its CSR Policy.

4. FUNDING & ALLOCATION

4.1 For achieving CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate minimum 2% (and/or any other statutory number as prescribed by MCA) of its average net profits as per norms enunciated by MCA.

4.2. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity with the CSR Policy.

5. PLANNING & IMPLEMENTATION

5.1 The Company shall identify any one or more of the following areas for its CSR spending:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.

(ii) promoting education, including special education and employment enhancing vocation 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

(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 art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

(viii) 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) 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

(b) 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 (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); 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).

(x) rural development projects

(xi) slum area development.

Such other activities as may be specified under the Act or the CSR Rules from time to time.

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

The CSR projects or programs or activities undertaken by the Company in India only shall amount to CSR expenditure in accordance with the provisions of Section 135(5) of the Companies Act, 2013.

5.2. The activity / list of activities identified by the Company from time to time from the above items shall form part of this CSR Policy. The specific modalities of execution of any CSR Project / Program and its implementation scheduled shall be developed by the Committee and recommended to the Board of Directors.

5.3. Preference shall be given to local area and areas around the Company for spending the amount earmarked for CSR.

Mode of Implementation: The CSR Activities may be undertaken by the Company directly through the Implementation Group or with the prior approval of the Board, (i) Through a Trust, or a Society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise; and/ or (ii) Through a Trust, or a Society or a company established under section 8 of the Act with a established track record of three years in undertaking similar programs or projects; and/ or (iii) In collaboration with other companies or NGOs (iv) In collaboration with any Industry Body coordinating such activities (v) Direct contribution / implementation of any project approved by CSR committee/Board (vi) Contribution to PM Relief Fund or any other fund as may be notified by Govt (the entities referred to under sub-clause (i) and (ii) above, are hereinafter referred to as “Implementing Agencies”).

AMENDMENT

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.