

ROYAL INDIA CORPORATION LIMITED

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE POLICY

INTRODUCTION:

Royal India Corporation Limited (RICL) firmly believes that any amount of economic progress is meaningless and incomplete without balanced economic development. RICL is always willing & ready to contribute its might, in whatever possible manner towards social development. The Company's policy has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

Section 135 read with Schedule VII of the Companies Act, 2013 ("Act") and Companies (Corporate Social Responsibility Policy) Rules, 2014 has mandated the Company to constitute Corporate Social Responsibility Committee and devise a separate CSR Policy to carry out CSR activities as suggested under the Act.

EFFECTIVE DATE:

The CSR policy is effective from October 16, 2014.

COMPOSITION:

The CSR committee shall consist of the following Members:

Mr. Ravikant Chaturvedi - Chairman

Ms. Manisha Anand - Member

Mr. Hitesh Jain - Member

CSR ACTIVITIES:

Schedule VII of the Act has covered the following activities to be part of CSR Policy:

- eradicating hunger, poverty and Malnutrition, promoting preventive health care and sanitation and making available safe drinking water ;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement project;
- promoting gender equality and 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;

- 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;
- 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;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socioeconomic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects.

Amount of Expenditure to be Incurred on the CSR Activities:

- The Company would strive to spend at least 2%(two percent) of the average net profits of the company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.
- However, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.
- CSR activities should be undertaken by the Companies in project / program mode (as referred in Rule 4(1) of Companies CRS Rules, 2014). One-off events such as marathons / awards / charitable contributions / advertisements / sponsorship of TV programs etc. would not be qualified as part of CSR expenditure.
- Expenses incurred by companies for the fulfillment of any act / statute of regulations (such as Labour Law, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.

- Salaries paid by the Companies to regular CSR staff as well as volunteers of the Companies (in proportion to companies time / hours spend specifically on CSR) can be factored into CSR project cost as part of CSR expenditure.
- Contribution to Corpus of a Trust / Society / Section 8 Companies etc. will qualify as CSR expenditure as long as (a) the Trust / Society / Section 8 Companies etc. is created exclusively undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject cover in Schedule VII of the Act.

IMPLEMENTATION OF CSR ACTIVITIES:

- The Company may undertake CSR activities through registered trust or society or any company, established by the company, it's holding or subsidiary company under section 8 of the Act for such non-for-profit objectives.

Provided that the company carry out the CSR activities through such other institutes having an established track record of 3 years in undertaking the CSR activities.

- The Company may collaborate with other companies for undertaking the CSR activities subject to fulfillment of separate reporting requirements as prescribed in the Regulations.
- The CSR activities shall not include any activities undertaken by the Company in pursuance of normal course of business of the Company.
- The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR activities.

MONITORING:

CSR Committee will institute a transparent monitoring mechanism for implementation of CSR Projects or programmes undertaken by the Company or through NGOs.

ROLE OF BOARD:

The role of the Board with respect to CSR is as under:

- Review the recommendations in respect of annual budget for CSR;
- Disclose contents of the Policy in the Company's report/ website; and
- Ensure that the Company spends in every financial year, at least two percent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities.

DISCLAIMER:

While the Company would strive to achieve the objectives of the above policy, the Company does not make any personal assurance or any commitment to any individual or group who may be eligible/interested for the benefits under the above policy and the Company disclaims any liability, what so ever on the same.