

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**ROYAL INDIA CORPORATION LIMITED**

**(24<sup>TH</sup> MAY, 2014)**

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## **I. Background:**

Corporate Social Responsibility is Company's sense of responsibility towards the community and environment in which the Company operates. It is the continuing commitment by Company to contribute to economic development of the society at large and building capacity for sustainable livelihoods.

The Company conducts its business in accordance with the Ethics and Business Principles, code of conducts lay down by the Board of Directors of the Company.

Royal India Corporation Limited is engaged in the business of Bullion, Real Estate and Investments.

## **II. Objective:**

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the Rules made there under. The Company will undertake CSR activities specified in Schedule VII to the Companies Act, 2013 (Annexure- A).

As an integral part of the Company's commitment to Good Corporate Citizenship, it will actively assist in the improvement of the quality of life of the people in the communities giving preference to local areas around its business operations.

## **III. Constitution of CSR Committee:**

Pursuant to Section 135 (1) of the Companies Act, 2013; Every Company having Net Worth of Rupees Five Hundred crore or more, or Turnover of Rupees One Thousand crore or more or a Net Profit of Rupees Five Crore or more during any financial year shall constitute a CSR Committee of Directors comprising of at least three Directors with at least one Independent Director.

## **IV. Role of CSR Committee:**

The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- Formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company towards CSR initiatives.
- Recommendation of the project / programme to be undertaken, amount of expenditure to be incurred, type of activities, roles and responsibilities of various stakeholders etc. on the CSR activities as approved by the CSR Committee;
- Formulation of a monitoring mechanism for ensuring implementation of the projects / programmes undertaken or the end use of the amount spent by it towards CSR activities.

The contribution will be made for any activities undertaken within India. The Committee will give preference to the local area and areas around it where it operates in spending the amount earmarked for CSR activities.

Surplus arising out of the CSR activities will be utilized for the benefit of the community.

#### **V. Role of Board of Directors**

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

- Approve the CSR Policy of the Company;
- Review the recommendations in respect of annual budget for CSR;
- Disclose contents of the Policy in the Company's report and also disclose it on the company's 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 in pursuance of the CSR Policy of the Company.

#### **VI. Disbursement of CSR Amount**

The Company may undertake CSR activities either by pooling the resources into not-for-profit organisations (NGO) or specific funds maintained by the Central/ State Governments like Prime Ministers' Relief Fund.

The CSR Committee will decide on the budget allocation of CSR Projects and Programs as under:

- Contribution to any Government Hospital for various capital projects;
- Percentage of total amount to be used for funding various NGOs, development organizations and grass-root level organisations; and
- Tranches of disbursement.

#### **VII. Partnering Organisations:**

In the event CSR activity is undertaken through NGOs, the Company will ensure that the said organisations have impeccable track record of service, performance and accountability.

The contribution of amount to any Charitable Organisation will be based on the plan submitted by such Organisations and approved by the CSR Committee.

The Company will undertake due diligence to evaluate NGO's organisation structure, requisite permits and licenses, public image, management, track record of performance and accountability, presence in desired geography and compatibility with the Group CSR Policy before partnering with any NGO.

The NGOs will be referred as "Partnering NGOs" in this Policy.

#### **VIII. Process for Undertaking CSR Activities / Projects through Partnering NGOS**

The following procedure will be adhered to while undertaking/ funding CSR activities/ projects through NGOs:

- Execution of Memorandum of Understanding (MoU) with the Partnering NGOs, which will detail the key roles and responsibilities of each of the parties for a specified project or projects identified by the Company.
- Scheduling of disbursements of funds relating to the program and monitoring system pre-agreed with partners.
- The Committee whilst making any contribution will specify the activities for which it is made and the amount for the same.

#### **IX. Monitoring**

CSR Committee will institute a transparent monitoring mechanism for implementation of CSR Projects or programmes undertaken through NGOs as under:

- Periodic field visits by the persons deputed by Company;
- Undertaking sample internal audit of the projects/ activities;
- Review of the relevant progress reports submitted by the Partnering NGOs;
- Holding discussions with the implementation team on progress and slippages, if any.
- Audited financial statements and cash flow statements within 90 days of the end of the relevant financial year.

The Partnering NGOs shall allow CSR Committee of the Company, its management, its auditors (whether internal or external) and monitor, and audit the Partnering NGOs operations and records which is thought appropriate.

#### **X. Volunteering:**

The Company will encourage and enable employees and other stakeholders to participate in the projects supported by it through Employee Volunteering Programmes (EVP). This will have positive impact on employees' morale and a sense of belonging to the Company.

The Company will recognize the efforts put in by employees in CSR activities through annual appraisal system. A report on Volunteering will be brought out periodically and snippets updated on websites and even in Annual Report recognizing cases of Volunteering.

The Head HR will play a specific role in building capacities, skills and talents under the concept of the Company's broader vision on CSR.

#### **XI. Self Assessment**

The Company will introduce mechanism for self-assessment of CSR activities pursued by it and strive to improve existing policy and systems. It will also undertake impact assessment of the development projects on the target group.

#### **XII. Dissemination of Information**

The CSR Committee should report to the Board of Directors of the Company, at least once a year the status of the CSR projects/ activities undertaken by Company along with the report on the impact created by such projects/ activities.

The Company would upload this Policy on its website [www.ricl.in](http://www.ricl.in). Further, a detailed status report on the CSR activities carried out by Company would be disclosed every year as part of the Directors' Report in the Annual Report. The said information would also be uploaded on the website of the Company.

This should be visible through newsletters, websites, press releases and Directors' Annual Report (as an integral part of business) articulated on major occasions and employee / shareholder / dealer meetings.

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## ANNEXURE A

### ACTIVITIES WHICH MAY BE INCLUDED AND EXCLUDED IN CSR POLICIES

The activities which can be included by Company in its Corporate Social Responsibility Policy are:

- a) eradicating extreme hunger and poverty;
- b) promotion of education;
- c) promoting gender equality and empowering women;
- d) reducing child mortality and improving maternal health;
- e) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- f) ensuring environmental sustainability;
- g) employment enhancing vocational skills;
- h) social business projects;
- i) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- j) such other matters as may be prescribed.

The activities which are excluded to be undertaken in Company Corporate Social Responsibility policy are:

- a) projects or activities that benefit only the employees of the company and their families;
- b) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- c) such other matters as may be prescribed.