



**ROYAL INDIA CORPORATION  
LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE CHARTER  
(Revised on November 14, 2018)**

**1. Introduction**

The purpose of the Corporate Social Responsibility Committee (the “Committee”) of the Board of Directors (the “Board”) of Royal India Corporation Limited (the “Company”) shall be to assist the Board and the Company in fulfilling its corporate social responsibility (“CSR”). The Committee has overall responsibility for: (i) identifying the areas of CSR activities; (ii) recommending the amount of expenditure to be incurred on the identified CSR activities; (iii) implementing and monitoring the CSR policy from time to time; and (iv) coordinating agencies in implementing programs and executing initiatives as per CSR policy of the Company. The purpose and responsibilities of the Committee shall include such other items/matters prescribed under applicable law or prescribed by the Board in compliance with applicable law from time to time. The Committee is also responsible for reporting progress of various initiatives and in making appropriate disclosures on a periodic basis.

**2. Regulatory Framework**

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 from time to time.

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.

**3. 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.

**4. Meetings and Quorum**

The Committee shall meet at least one time a year. Two members present shall form the quorum for the meeting of the Committee. The members can invite outside person as invitee to attend the meeting of the Committee.

The Company Secretary of the Company shall act as Secretary to the Committee.

**5. Committee responsibilities and authority:**

5.1. The Committee shall annually review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.

5.2 The Committee shall ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and shall monitor the CSR Policy from time to time.

5.3 The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.

5.4 The Committee will coordinate with agencies for implementing programs and executing initiatives as per CSR policy and shall review the performance of such other agency periodically.

5.5 The Committee may form and delegate authority to subcommittees when appropriate.

5.6 The Committee shall regularly report to the Board.

5.7 The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Committee shall have access to any internal information necessary to fulfill its role. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

**6. 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.

**7. 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.

**8. 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.

**9. 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.

**10. 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.

**11. 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.

**12. 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.

**13. 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.

**14. Review/Amendment/Modification:**

The adequacy of this Charter shall be reviewed and reassessed by the Corporate Social Responsibility Committee at periodic intervals and appropriate recommendations shall be made to the Board for its consideration and suitable approvals based on the changes that may be brought about to the regulatory framework or Committee's own assessment or suo motto by the Board for amending or issuing any fresh terms of reference to the Committee.

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