



# **RAJASTHAN STATE MINES & MINERALS LIMITED**

(A Government of Rajasthan enterprise)

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **I. PREAMBLE**

Rajasthan State Mines & Minerals Limited (RSMML) is one of the premier public sector enterprises of the Government of Rajasthan. It is primarily engaged in mining and marketing of Rock Phosphate, Gypsum, Steel Grade and Cement Grade Limestone and Lignite minerals in the state. The very objective of the company is to achieve cost effective technological innovations in the mining of minerals and to diversify into mineral based downstream projects. Apart from the above, the Company is also aiming at long term fuel supply to lignite based power projects and setting up wind energy farms at Jaisalmer and solar farm in Bikaner.

RSMML seriously believe that CSR is company's commitment to operate in economically socially and environmentally sustainable manner. Social up liftment of the poor and downtrodden class will remain as thrust area of RSMML's CSR activities, apart from creating wealth and adding value to other stakeholders, i.e. shareholders, suppliers and customers.

RSMML recognizes that its business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders. The Company is committed to continuously improving its social responsibilities, environment and economic practices to make positive impact on the society.

CSR has been a way of life at RSMML ingressed into its philosophy and vision. Accordingly, the CSR Policy of RSMML has been formulated, in compliance with the provisions of the Companies Act, 2013 and the rules notified therein by Ministry of Corporate Affairs (MCA), Government of India on 27th February 2014, including the activities and programmes.

### **II. OBJECTIVES**

The 'headline' objective of the RSMML's CSR policy shall be to ensure that CSR activities are not performed in isolation but that it be skilfully and tied woven into the fabric of the company's business strategy for overall value creation for all stakeholders. RSMML believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the people, preferably in the immediate vicinity of the company's offices but at the same time ensure widespread distribution of its CSR activities befitting its status as a conscientious corporate citizen.

To meet out the objectives of the CSR policy of the company the projects proposed to be undertaken may be in the area of Education, Health care, Sustainable livelihood, Infrastructure development, espousing social causes and Environmental protection etc..

The policy shall apply to all CSR initiatives and activities to be undertaken by the company for the benefit of targeted segments of society.

### **III. CSR COMMITTEE**

- i. The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of three or more directors, out of which at least one shall be an Independent Director.
- ii. The Company Secretary or any other suitable incumbent will be nominated as its Member Secretary.
- iii. The scope, Terms of Reference and power etc of the Committee will be determined at the level of Board of Directors in line with the applicable Rules, Regulations and Government guidelines.
- iv. The CSR Committee shall meet as and when deemed necessary.
- v. Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher
- vi. The Committee, referred above, shall
  - a) Formulate and recommend to the Board the CSR Policy and any amendments thereof;
  - b) Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
  - c) Be responsible for implementation and monitoring of CSR projects or programmes or activities.
  - d) Perform such other functions as may be required under provisions of the relevant Act, Rules, and Government Guidelines or as may be decided by the Board.
- vii. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, \ Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting to seek opinion/advice.

### **IV. ACTIVITIES**

- i. The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose.
- ii. The Board of Directors of the Company may on recommendation of the CSR Committee, determine / approve the projects or programmes or activities (identified project or programme or activity) to be undertaken by the Company under CSR initiatives, from time to time. However, the Board shall ensure that the projects or programmes or activities undertaken are related and within the broad purview of the activities as stated under Schedule VII or any other relevant provision of the Companies Act, 2013.
- iii. The minimum eligibility criteria for any project or programme or activity and / or other incidental or ancillary matters, including but not limited to quantum of proposed

expenditure, shall be finalized by the Board of Directors or by any delegated authority on recommendation of the CSR Committee.

- iv. The modalities of execution of CSR projects or programmes or activities and implementation thereof shall be determined by the Board of Directors or its Committee (excluding any Board Committee formed for some other specific purpose, however including but not limited to Committee of Directors) from time to time, upon recommendation of the CSR Committee.
- v. The CSR Committee shall frame rules or issue directives with regard to monitoring of the CSR projects or programmes or activities.
- vi. The CSR Committee may by resolution delegate or entrust any of the function, acts, deeds or things, etc. as may be required to be performed or complied by it, whether under Companies Act, 2013 or rules made there under or otherwise to any person, whether in employment of the Company or otherwise, and any such function, acts, deeds or things, etc. performed by such person pursuant to such resolution shall have effect, as if the same has been performed by the Committee itself.
- vii. The Board of Directors of the Company may on the recommendation of the CSR Committee, decide to undertake CSR projects or programmes or activities through a registered trust or a registered society or a Company or an associate Company established by Rajasthan State Mines and Minerals Limited or otherwise (Implementing Agency), provided that, in such case the provisions relating to Companies (Corporate Social Responsibility) Rules, 2014, are required to be complied with.
- viii. The Board of Directors may on recommendation of the CSR Committee decide to collaborate with other Companies for undertaking CSR projects or programmes or activities.
- ix. While undertaking CSR projects or programmes or activities preference shall be given to the local area or area of operation of the Company. Such area of operation for any identified project or programme or activity shall be finalized by the Board of Directors or any Committee thereof, upon recommendation of the CSR Committee.

## **V. IMPLEMENTATION**

- i. CSR Activities to be carried out by Specialist Agencies and generally not to be conducted by company's employees / Staff.
- ii. Specialist Agencies include NGO's, Institutes, Trusts, Self-Help Group, Academic Organisations, Civil Society/Community-based Organisations, trusts, Missions, Professional Consultancy Organisations, Registered Voluntary Organisations, Contracted agencies for civil works etc., which have requisite expertise and having established track record of at least three financial years..
- iii. RSMML shall explore the possibility of collaboration with similar corporate organisation /companies for undertaking CSR projects, programs or activities in such a manner that the CSR committee is in a position to report separately on such projects or programs or activities.

- iv. CSR activities may be undertaken by RSMML by building CSR capacities of its own personnel.
- v. While assigning CSR projects to specialised agencies, every possible effort would be made to verify the reliability and clean track record of such agencies. Company may make efforts to prepare suitable panels of such agencies or they may select from panels maintained by Government. Semi Government, Autonomous Organisations. For actual selection of agencies, company may follow its own procedures specified for this purpose.
- vi. Initiatives of State Governments as well as Central Government Departments / Agencies could be Dovetailed / synergised with CSR activities.
- vii. Company would generate awareness among all levels of their staff, wherever possible, company may set up independent divisions / departments./ sections or cells for CSR activities. Training and awareness programmes may be conducted for all staff connected with CSR Work.

## **VI. QUANTUM OF INVESTMENT**

- i. The Company shall spend, in every financial year, at least 2% of the average net profits of the Company made during the immediately 3 preceding financial years. Net profit in such case will have the meaning as stated under Rule 2(f) of the Companies (Corporate Social Responsibility) Rules, 2014.
- ii. CSR Expenditure shall include all expenditure including corpus for projects or programmes relating to CSR activities approved by the Board on recommendation of CSR Committee. However, the same will not include expenditure on any item not in conformity or in line with the activities stated under Schedule VII of the Companies Act, 2013.
- iii. CSR projects or programmes or activities undertaken in India only shall be considered as CSR Expenditure.
- iv. Projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.
- v. Contribution of any amount directly or indirectly to any political party shall not be regarded as a CSR activity.
- vi. Any expenditure incurred for building CSR capacity, whether own or that of eligible Implementing Agency shall not exceed five percent of total CSR expenditure, in one particular financial year.
- vii. Surplus arising out of CSR projects or programmes or activities shall not form part of the business profit of the Company.
- viii. If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report.

## **VII. MONITORING, ASSESSMENT AND REPORTING MECHANISM**

- i. The CSR Committee of the Board would institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the company.
- ii. A time frame would be fixed for all CSR projects/ activities for their timely completion with suitable milestones.
- iii. RSMML would monitor the project's progress (including impact assessment/ evaluation) either directly or through professional institutions/ independent research institutions/ other outside agencies.

## **VIII. REPORTING OF CSR INITIATIVES**

- i. CSR Committee of the Board will periodically consider the progress report on the various CSR initiatives taken up by RSMML.
- ii. Details of the CSR activities undertaken by RSMML and amounts spent along with reasons for spends below budgeted levels, if any, shall also be reported in RSMML's Annual Report under Directors' Report.

## **IX DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE**

The CSR policy as approved by the Board of Directors would be displayed on the website of the Company and

## **X. APPLICABILITY/ENFORCEABILITY**

This policy will come into force with effect from 1<sup>st</sup> April, 2014.

## **XI. AMNEDMENT**

Any amendment in the CSR policy may be carried out by the Board on the recommendation of CSR Committee of the Company. The policy will be subject to change as per applicable Act, Rules, Regulations and Government Guidelines.

## **XII. OTHERS**

If anything is contained in this policy or in any amendment made thereof, be inconsistent with the provisions of the Companies Act, 2013 or Rules made there under or amendments thereto, the same shall be ineffective to the extent of inconsistency.