



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 upliftment 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.

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To meet out the objectives of the CSR policy and proper utilization of CSR Budget 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.

¹II (A): Definitions:

- a) "Act" means the Companies Act, 2013
- b) "Board" means Board of Directors of the Company.
- c) "Committee" means Corporate Social Responsibility Committee of the Company as constituted or reconstituted by the Board.
- d) "Company" means Rajasthan State Mines & Minerals Limited.
- e) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- f) "CSR policy" means the Corporate Social Responsibility Policy of the Company
- g) "Institution or Private Institution" means any NGO / Society/ Trust/ person or any other private organisation.
- h) Unless the context otherwise requires, words or expressions contained in this policy shall bear the same meaning as in the Companies Act, 2013 or any statutory modifications thereof in force.

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

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- a) Formulate and recommend to the Board the CSR Policy and any amendments thereof;
 - b) ²CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy and the amount of expenditure to be incurred on activity;
 - 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.


² Substituted against "b) Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy"

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- 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.


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- 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.

³VA: Provision for allocation of funds to private NGOs/Trusts/Societies etc.

(i) Eligibility Criteria:

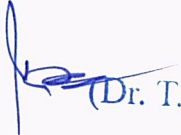
- a) The Institution should be registered under an appropriate Act or be a regularly constituted branch of a registered welfare organisation.
- b) **The private NGOs/Trusts/Societies should have completed at least five years and are active after registration. However, any private NGOs/Trusts/Societies which is already being funded by any Government department then the minimum time period of registration shall not be applicable to such private NGOs/Trusts/Societies.**
- c) The Institution should have proven track record, expertise and experience of at least three years in the chosen “Corporate Social Responsibility” program.
- d) The Institution should have facilities, resources, personnel, managerial skills and experience to initiate the activity for which the grant is required.
- e) The activities of the institution should be open to all citizens of India without any distinction of religion, race, caste or language.
- f) Apart from the above conditions, any other conditions of eligibility as specified by the Company from time to time.
- g) The Chairman of the Company be authorised to exempt / relax the above eligibility criteria.

⁴(ii): Procedure for consideration of proposals:

- a) Proposal received from NGO/Private Institutions, etc. will submit the detailed proposal with objectives/Area of Work/Proposed impact utility and implementation schedules.
- b) Proposal must be submitted along with all the documents as required under sub clause IV of the clause VA of this policy.
- c.) All proposals received from private institutions shall be put up before the CSR Committee for review and consideration. If proposal found suitable, the CSR Committee shall recommend to the Board for approval.
- d.) The Board, if desired, may approve the proposals received from private institutions without recommendations of the CSR Committee.

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- e.) Funds shall be released to the private institutions after approval of the Board.
- f.) A time frame would be fixed for all CSR projects / activities for their the timely complication with suitable milestones.

⁵(iii): Fund Allocation:

- a) Maximum amount sanctioned to any private NGOs/Trusts/Societies, etc. should be fixed to a limit of Rs 5 Lakhs in a financial year.
- b) Private NGOs/Trusts/Societies etc. once granted fund should not be considered to another grant for at least 3 years.
- c) The funds shall be released in suitable Instalments as decided by the Company based on the progress of the CSR activity and utilization certificate submitted by the institution.
- d) If it is observed that any CSR activity taken up for implementation is found not properly implemented, Company at its discretion may discontinue funding the project/activity at any time during the course of implementation
- e) Individual / personal requests for funding are generally not permissible.
- f) The Chairman of the Company be authorised to exempt / relax the above limit of allocation of funds.

⁶(iv): Documents to be submitted by the Institutions:

At the time of applying for grants under CSR, following documents are to be submitted by the Institutions:

- a) Detailed Proposal of the Project along with the project budget.
- b) Every CSR proposal has to involve defining activities, time frame, financial requirement, organizational responsibilities, outcome/ expected results and sustainable aspects.
- c) The proposal shall be in terms of the schedule VII of the Companies Act, 2013 and within the frame work of the CSR Policy of the Company.
- d) The releasing of funds in phased manner shall be clearly defined in the proposal to ensure proper utilization and submission of periodical progress reports before release of instalments.
- e) Copy of the Registration Certificate of the Institution.
- f) Copy of the PAN Card of the Institution.
- g) 80G approvals from Income Tax Department and 12AA
- h) Audited accounts of previous three financial years of such Institution.

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- i) Bank account details of the Institution along with Account No. Branch, IFSC Code and contact details.
- j) Bank Accounts should be of the institution as a whole and not of any single individual programme/project).
- k) Brochures, Newsletters or any other relevant documents of the past activities of the organization, if any.

⁷(v): Monitoring, Assessment and Reporting Mechanism:

The Institution, to which CSR funds are to be allocated by the Company, will be bound by the following conditions:

- a) The Institution will maintain proper documents and record of the project/activity carried out by them.
- b) After completion of the project/activity, the Institution will submit the utilisation certificate alongwith list of beneficiaries (duly verified/authorized) and photographs of pre & post activities, receipt/bills/invoices of procured items for conducting such project/activity, completion report including the outcome/results of such project/activity.
- c) The Company shall have the power to ask the Institution to submit documents and record along with statement of expenditures of the CSR project/activity and the institution shall be bound to submit such documents and records.
- d) The Company shall also have the power to conduct an impact assessment of the activity carried out by the institution through its officials or through third party in order to ensure proper utilisation of funds.
- e) Company's name must be displayed wherever such amount in incurred.

⁸(vi): Refund of Unutilized/Unspent Funds:


Any unspent or unutilized amount, disbursed by the Company to the private institutions under CSR, be refunded to the Company within 30 days of the completion of such project / activity.

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

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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.
- ix. ⁹Unspent CSR amount shall be transferred to a fund specified in Schedule VII or any other fund as specified by the Government from time to time.
- x. ¹⁰Unspent amount pursuant to any ongoing project, shall be transferred to a special account i.e. Unspent Corporate Social Responsibility Account to be opened by the company in any scheduled bank.
- xi. ¹¹Any surplus arising out of any CSR activities shall not form part of the business profit of a company and shall be spent in the CSR activities or transferred to the fund specified in the schedule VII.
- xii. ¹²Excess amount spent in CSR, may be set off against the requirement of CSR up to next three financial years.

VII. MONITORING, ASSESSMENT AND REPORTING MECHANISM

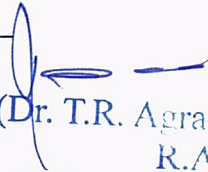
- i. The CSR Committee of the Board would institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the company.
- ii. A time frame would be fixed for all CSR projects/ activities for their timely completion with suitable milestones.

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- 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 RSMM'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 1st 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. EMPOWERMENT OF MANAGING DIRETOR / CSR COMMTEE

¹³Managing Director is authorized to approve the proposals costing upto Rs. 50.00 Lacs in each case subject to CSR committee recommendation.

XIII. 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.


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¹³ Newly inserted