

SENCO GOLD LIMITED

Corporate Social Responsibility Policy

1. Objective:

The main objective of the Corporate Social Responsibility Policy (CSR Policy) is to lay down guidelines for the Corporate Social Responsibility Activities of Senco Gold Limited ('the Company' or 'SENCO').

2. Philosophy and vision of the Company on CSR:

The policy on Corporate Social Responsibility (CSR) is adopted by the Company to align its philosophy to initiate measures and pursue socially useful programmes with the objectives and activities of CSR envisaged and incorporated in the Companies Act, 2013 and the rules made thereunder. This policy has been recommended by the Corporate Social Responsibility Committee ('CSR Committee') and adopted by the Board of Directors at its meeting held on 20TH January 2015. The terms, rules and regulations mentioned in this policy are as per the Companies Act, 2013 and the rules made thereunder. The Board may upon the recommendation of the CSR Committee, amend or modify this CSR Policy as and when necessary. This policy shall be effective with immediate effect.

SENCO will do its best to follow the requirements of the Companies Act, 2013 on the CSR obligation in letter and spirit.

3. Definitions:

'Board' means the Board of Directors of the Company.

'CSR or Corporate Social Responsibility' means and includes but is not limited to:

(i) Projects or programs relating to activities specified in Schedule VII of the Companies Act, 2013; or

(ii) Projects or programs relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this policy.

'CSR Committee' means Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013.

'The Company' or **'SENCO'** means **Senco Gold Limited**.

'Net Profit' means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013 (previously the Companies Act, 1956), but shall not include the following, namely:

(i) any profit arising from any overseas branch or branches of the Company or otherwise,

and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Companies Act, 2013.

AND expression used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the meanings respectively assigned to them therein.

4. Constitution, Composition and Activities/ Implementation of CSR Committee:

4.1 The Board of Directors has constituted a Corporate Social Responsibility Committee (CSR Committee or the Committee) as per the requirements of the Companies Act, 2013. The CSR Committee comprising of three (3) or more members out of which at least one director shall be an Independent Director.

4.2 The Committee shall identify programs/projects in which the CSR initiatives/ activities of the Company can be undertaken and recommend them to the Board from time to time.

4.3 The Committee shall recommend to the Board, at the beginning of the Financial Year the amount to be spent on CSR activities for that Financial Year.

4.4 The Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of Section 135 of the Companies Act, 2013.

4.5 The programs/projects can be undertaken through a Trust/NGO having a track record of at least three years.

4.6 The Committee may invite such outside expert/consultant or any other person as it may deem fit for CSR activities.

4.7 CSR activities may also be undertaken in collaboration with other Companies.

4.8 The Committee may also recommend the allocation of a certain portion of the CSR spend for some identified activities/projects.

4.9 The programs/projects which benefit only the employees of the Company and their families shall not be considered for CSR activities.

4.10 The Committee shall endeavour for CSR capacity building of the personnel of the Company and/or of the institution carrying CSR activities of the Company and not more than 5% of the total CSR budget shall be spent on such CSR capacity building exercise.

4.11 The composition of the CSR Committee shall be disclosed in the Board's Report.

5. CSR Activities

The Company may undertake any of the following activities as its CSR activities:

5.1 Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

5.2 Promoting education including special education and employment enhancing vocational skills, especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;

5.3 Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centres and other similar facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

5.4 Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air and water;

5.5 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;

5.6 Measures for the benefits of armed forces veterans, war widows and their dependents;

5.7 Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

5.8 Contribution to the Prime Minister's National Relief Fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

5.9 Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;

5.10 Rural development Projects;

5.11 Such other matters as may be prescribed under the applicable statute and as may be amended from time to time;

5.12 Such other activity may be thought fit by the CSR Committee and approved by the Board.

6. Amount of expenditure to be incurred on the CSR activities

6.1 The Company will endeavour to spend the following amounts for CSR activities in pursuance of this Policy:

(i) In every financial year, at least two (2%) per cent of the 'average net profits of the Company made during the three immediately preceding financial years. The 'average net profits' shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 and the rules made thereunder from time to time.

(ii) Any income arising from the activities mentioned above.

(iii) Surplus arising out of CSR activities.

6.2 Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013, shall not be considered CSR activities.

6.3 Amount spent on CSR activities shall include all expenditure including contribution to the corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

6.4 Any surplus arising out of the CSR activities will not be part of the business profits of the Company.

6.5 The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

7. Modalities of Execution / Implementation (Projects / Programs to be undertaken)

7.1 The activities to be undertaken by the Company as CSR activities shall be the projects/ programs relating to the activities/subjects specified enumerated in the Schedule VII of the Companies Act, 2013 or any amendment thereto or modification thereof from time to time.

7.2 CSR activities may be initiated/implemented/ executed by the Company, or through:

(a) A registered trust, registered society, registered NGO or a company established by the Company or its subsidiary or associate company under Section 8 of the Companies Act, 2013;

(b) If such trust, society or company is not established by the Company or its holding or subsidiary or associate company, the eligible CSR activities will be undertaken in collaboration with a specialized organization institution or agency which has an established track record of at least three years in undertaking CSR projects or in carrying on permissible CSR activities.

(c) An agreement/ contract or any other written communication will be executed by the Company.

7.3 The Committee shall from time to time decide/recommend to the Board on, CSR activities to be undertaken, the geographical area covered, agencies or trusts or NGOs with which the projects/activities are to be undertaken, the amount to be spent on various projects whether ongoing or fresh or new projects.

7.4 CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine the implementation schedule.

7.5 While deciding on the CSR activities, priority shall be given to the needs and requirements of communities or local areas and areas around, in the vicinity of the Registered Office as well as various showrooms of the Company are situated.

7.6 The CSR activities shall be undertaken within India.

8. Monitoring Process

8.1 The Committee shall monitor periodically the implementation and execution of the projects/ programs/ activities under CSR policy and ensure compliance with the provisions related to CSR mentioned in the Companies Act, 2013 and rules made thereunder from time to time and report the same to the Board of Directors regularly.

8.2 The Committee shall on completion of every Financial Year, submit to the Board, details of the CSR spent during the Financial Year and reasons for the actual spent being less than the limits prescribed by the law if any.

8.3 The report on CSR shall form part of the Boards' Report (Directors' Report) of the Company.

8.4 The Committee shall recommend changes/modifications to be carried out in the policy to the Board from time to time.

8.5 A robust MIS monitoring mechanism and evaluation plan will be put in place.

8.6 Expected outcomes, outputs and inputs will be clearly defined for each program as per stated timelines.

8.7 There shall be clarity about the scope of the program and the need before evaluations are undertaken.

9. Role of Board

The role and responsibility of the Board shall include:

9.1 Approval of CSR policy after taking into account recommendations of the CSR Committee.

9.2 Reporting in the Board's Report brief outline of this CSR policy including an overview of projects or programs, composition of the CSR Committee, average net profits of the

Company for the last three financial years and prescribed CSR expenditure as required under the Companies Act, 2013 and rules made thereunder along with (i) the total amount spent on CSR activities in the financial year and (ii) amount unspent, if any.

9.3 Ensure that the contents of the CSR policy are displayed on www.sencogold.co.in, i.e. website of the Company in the manner prescribed under the applicable statute.

9.4 Ensure that the CSR activities are undertaken and executed by the Company as per this CSR policy and the applicable laws.

9.5 Specify in the Boards' Report, the reasons, if the required amount is not fully spent on CSR activities.

10. Disclaimer

10.1 The activities undertaken by the Company in pursuance of its normal course of business shall not be considered CSR activities.

10.2 The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company.