



MOHAN MEAKIN LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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1. Context

As a corporate entity, Mohan Meakin Ltd (“MML”) acknowledges its obligation to contribute to the economic development of the country while improving the quality of life of its workforce and their immediate families as well as of the community and society at large.

Companies Act, 2013 has formally introduced the Corporate Social Responsibility to the dash board of the Indian Companies. Mohan Meakin Limited is much positive and appreciate the decision taken by the Government of India. Legal framework of CSR is an edge to Corporate Charitable/reformative approach towards the Society to which the Corporate is belonging to. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach.

The management of the Mohan Meakin Limited expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it. Further, pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014, which have come into effect from April 1, 2014, vide Notification No.G.S.R.129(E) dated February 27, 2014, as amended from time to time, every Company having net worth of Rs.500 crore or more or turnover of Rs.1,000 crore or more or net profit of Rs.5 crore or more during the immediately preceding financial year (the immediately preceding financial year substituted for ‘any financial year’ by companies (amendment) Act 2017 w.e.f. 03.01.2018) shall constitute a Corporate Social Responsibility Committee (“**CSR Committee**”) and the CSR Committee shall formulate and recommend a policy and shall spend, in every financial year, at least 2% of the average net profit during the immediately preceding three financial years.

The CSR Committee so constituted by the Board Resolution formulated a policy on Corporate Social Responsibility (“**CSR Policy**”) and recommended the same to the Board of Directors (‘**Board**’) for its approval.

1.1 Objectives of the CSR Policy

This Policy shall be read in line with Section 135 (read with schedule VII) of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as the “**Regulations**”) as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- ❖ Establishing a guideline for compliance with the provisions of the Regulations to dedicate a percentage of Company’s profits for social projects.

- ❖ Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.

1.2 Definitions

In this Policy unless the context otherwise requires:

- (a) 'Act' means Companies Act, 2013;
- (b) 'Corporate Social Responsibility' means and includes but is not limited to Projects or programs relating to activities specified as defined in Section 135 & Schedule VII of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time;
- (c) 'Net Profit' means net profit as defined in Section 135 of the Companies Act, 2013, and Rule 2(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as set out below:

Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

(i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate 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 Act

(d) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

1.3 CSR Activities

MML will endeavour to adopt an integrated approach to address societal and environmental concerns of the community by taking up a range of the following activities, which shall be taken up strategically, in a focused manner to the extent possible and allowed as per the CSR Policy. Activities mandated for Government can be supplemented by filling the resource gap and giving help to cross the last mile in goal achievement. It is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas (refer schedule VII of the Companies Act, 2013):

1. Eradicating extreme hunger and poverty
2. Reducing child mortality and improving maternal health)
3. Promotion of education
4. Promoting gender equality and empowering women
5. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases
6. Ensuring environmental sustainability
7. Employment enhancing vocational skills
8. Social business projects- Promoting Health care including preventive health care
9. Contribution to the Prime Minister's National Relief Fund or any other fund set 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
10. Such other matters as may be prescribed

These activities will be implemented from the succeeding year of a Financial Year in which the Company shows the net profits as per its audited annual financial statements. Based on the net profits, if any, every year, the CSR Committee will identify the CSR activities. On recommendation of CSR Committee, the Board may review and change the above list. CSR Committee shall frame detailed guidelines for undertaking the above activities.

The CSR activities will be carried out / implemented, directly or indirectly, through Narinder Mohan Foundation, or any other Trust / Society / Section 8 Companies / Agencies established / registered to carry on the CSR activities as in accordance with the Regulations.

Exclusions:

- ❖ Activities undertaken in pursuance of the normal course of business.
- ❖ Contribution of any amount directly or indirectly to any political party.

- ❖ Programs or activities which are meant exclusively for the benefit of employees of MML or their family members.

Other point:

- ❖ Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

Contingency:

Certain contributions/activities required to be implemented on an urgent basis in unforeseen circumstances relating to Natural calamities/disasters, can be taken up for implementation after approval from Committee. The Board of Directors would be appraised about such projects/activities during their next quarterly meeting.

1.4 The Geographic reach

The Company will give preference to conducting CSR activities in the states of Uttar Pradesh, Himachal Pradesh and Punjab and at any such location in India as the Committee may identify and may deem fit.

2. CSR Committee

2.1 Guiding Principles for Constitution of CSR Committee

In accordance with regulations the Company has constituted CSR Committee comprising of three directors out of which one director is an Independent Director.

The Committee will meet at least once in a quarter to discuss and review the CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may meet physically or via audio visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.

2.2 Committee Members

The CSR Committee constituted by the Board, shall be as follows:

Name	Status	Designation CSR Committee
1. Shri L.K. Malhotra	Director	Chairman
2. Shri Yash Kumar Sehgal	Director	Member
3. Shri Vinay Mohan	Director	Member

2.3 Scope of Functions of CSR Committee

The CSR Committee to, inter alia, carry out the following functions;

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made there under.
- b) To recommend the amount of expenditure to be incurred on the CSR activities
- c) To monitor the implementation of framework of CSR Policy.
- d) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable, necessary or appropriate for performance of its duties.

2.3.1 Notified CSR activities: To implement initiatives mentioned under point 1.3 above.

2.3.2 Transparent Monitoring Mechanism

The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

3. Procedures

3.1. Funding

- i. As per the Regulations, the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any unutilized CSR allocation of a particular year, will be carried forward to the following years, i.e., the CSR budget will be non-lapsable in nature.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of section 134 of Act, shall specify the reasons for not spending the amount.

- ii. Tax treatment of CSR spend will be in accordance with Income-tax Act, 1961, as may be notified by Central Board of Direct Taxes (CBDT).

3.2. Planning and implementation

- i. A list of CSR projects/programs which the Company plans to undertake during the implementation year will be laid down and approved by the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.
- ii. The company may fund its CSR activities through the following methods:
 - A. Directly on its own
 - B. Through its own non-profit foundation set- up so as to facilitate this initiative

If the Company decides to set up a Trust or Section 8 Company or society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR policy, the following shall apply:

- The Company would need to specify the Projects/programmes to be undertaken by such an organization, for utilizing funds provided by it;
 - The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only;
- C. Through Trusts, Societies, or Section 8 companies operating in India, which are not set up by the Company itself, having an established track record of three years in undertaking similar CSR programs or projects in pursuance with the relevant regulations;
- iii. The company may implement its CSR activities through the following methods:
- **Identification:** In line with the guidelines framed by CSR Committee the CSR activities proposed to be undertaken with the allocated budget shall be identified.
 - **Project:** Each activity shall be undertaken as a project and shall be Project report shall be approved by the Board on the recommendation of the CSR Committee. Project Report shall clearly define mile stones and evaluation mechanism.
 - **Team Creation:** Each project shall be headed by responsible officer of Company, nominated by CSR committee. MML shall form a CSR team, comprising of finance, Tax, & other officers, to look after CSR project. Generally each project should have Project

Head and appropriate persons to handle accounting/finance, operations, MIS, evaluation etc. .

3.3. Projects / Partners

CSR Committee will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company and/or through CSR Partner(s) as given in Point 3.2 above.

3.4. Criterion for CSR Partner(s) and Agreement

While identifying projects, CSR Committee will assess CSR Partner(s) organizations who would execute the projects at the grass root level. At a minimum they need to meet the following criteria:

- a. The CSR Partner(s) has a permanent office/address in India;
- b. The CSR Partner(s) is/are a Trust(s), Society/ies, or Section 8 Company/ies having an established track record.
- c. Have requisite framework to report progress/status of the projects on a quarterly basis on agreed parameters
- d. Maintain a required level of auditable records on the CSR initiatives conducted in conjunction with MML as agreed mutually.

3.5. CSR Reporting and display of CSR Policy

MML will report, in the prescribed format as set out herein as **Annexure I**, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations.

The Board of Directors shall disclose contents of this Policy and composition of the CSR Committee in the Directors' Report.

4. Monitoring

- i. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
- ii. Initiatives undertaken on the CSR front will be reported in the Annual Report
- iii. The CSR Committee and persons / entities authorized by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
- iv. Based on analysis of current projects, carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.
- v. Plan and publish an annual calendar of major events so as strive for maximum participation of stakeholders/society.

5. Amendments to the Policy

The Board of Directors may, either on its own and/or as per the recommendations of CSR Committee, amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

Annexure – 1

Annual Report on CSR Initiatives to be included in the Board of Directors report on CSR to form part of the Annual Report and website of the Company.

1. Provide a brief outline of the company's CSR policy including the statement of intent reflecting the ethos of the company, broad areas of CSR interest and an overview of activities proposed to be undertaken.
2. Indicate the web-link to the CSR Policy. The Policy should include the full list of projects/activities/programmes proposed to be undertaken by the company.
3. The composition of the CSR Committee.
4. Average Net Profit of the company for last 3 financial years.
5. Threshold Limit-(2% of this amount as in 4 above)
6. Details of CSR activities/projects undertaken during the year:
 - a. total amount to be spent for the year: b. amount carried forward from earlier years: c. amount spent during the year as below: d. amount carried forward for the year.

1. Sr No.	2. CSR project/activity identified	3. Sector in which the Project is covered	4. Projects/Programmes 1. Local area/others- 2. specify the state /district	5. Amount outlay (budget) project/	6. Amount spent on the project/ programme	7. Cumulative ve spend upto to the	8. Amount spent: Direct/thro ugh implementing
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			(Name of the District/s, State/s where project/ programme was undertaken)	programme wise	Subhead	reporting period.	agency*
					1. Direct expenditure on project, 2.0verheads:		
1.							
2.							
3.							
	TOTAL						

**Give details of implementing Agency:*

7. In case the company has failed to spend the 2% of the Average Net Profit (INR) of the last 3 financial years , please provide the reasons for not spending the amount.
8. A Responsibility statement, of the CSR Committee, that the CSR policy implementation and monitoring thereof is, in letter and spirit, in compliance with CSR objectives.

Signed

(CEO/Managing Director/Director)

(Chairman CSR Committee)