

CSR POLICY

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF MC&A LIMITED

Table of Contents

	Page Nos.
1) Preamble	02-02
2) Objectives:	03-03
3) CSR committee:	03-04
4) Activities/ areas of focus on CSR	04-05
5) Current focus:	05-06
6) Broad guidelines for consideration of the proposals and approval of CSR Projects/Programmes and activities:	06-06
a) Modalities:	07-07
b) Guidelines:	07-08
c) Quantum of Allocation of Funds:	08-08
7) Project monitoring cell:	08-08
8) Board:	09-09
9) Audit:	09-09
10) Conclusion:	09-09
11) Amendments to CSR Guidelines	09-10

CSR POLICY OF MC&A LTD:

I. PREAMBLE:

CSR in India has traditionally been seen as a philanthropic activity and confines to only few Successful Business Houses. Now, many Corporates in India and abroad have made it as a matter of their integral business policy to accommodate social development, Environment Protection, Sustainable growth and the wellbeing of all Stake Holders who bear direct or indirect impact on their lives on account of the Business operations of the Enterprises. The philosophy of "Giving Back to the Society" from where the resources have been drawn by the Enterprise has been gaining momentum ever since the New Companies Act, 2013 mandates certain class of Companies to earmark minimum required allocation for CSR Activities/Programmes and the disclosures required to be made in the Annual Reports with regard to the CSR spending.

The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its "disclose-or-explain" mandate, and Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point, have been well received by the Corporates. The mandatory provisions of the Corporate Social Responsibility (CSR) Policy have been formally introduced for its adherence by Indian Companies. The industry has responded positively to this reform measures undertaken by the Government. Acknowledging the positive impact CSR has on the Society and to make use of the opportunity available to contribute its mite to the wellbeing of the community around its business operations, MC&A Ltd., has taken up the philanthropy route to Give Back to the Society through its Corporate Social Responsibility Policy adopted w.e.f. FY 2014-15 which is open for amendment for further improvement from time to time. Based on the experience gained in the process of implementing the CSR activities for the last couple of year and in consideration of the new developments in the implementation of the CSR by many other successful Companies, it has become expedient to amend the CSR Policy of the Company to ensure that a suitably designed & structured Policy is in place for achieving the intended objectives of the CSR Policy.

II. OBJECTIVES:

The main objectives of the CSR policy is to lay down guidelines for CSR Programmes/Activities of MC&A, in compliance with the requirements of New Companies Act, 2013 and the Rules made there-under with specific emphasis to identify and help the underprivileged and the under developed areas in and around the operational areas of MC&A in particular, and other parts of the State of Karnataka, in general.

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 CSR committee, shall:
 - a) 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 forming part of Section 135 of the Companies Act, 2013 and the Rules made thereunder;
 - b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
 - c) Monitor the Corporate Social Responsibility Policy of the company from time to time;
 - d) Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

- III. The CSR Committee shall meet as and when it deems necessary.
- IV. Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.
- V. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company as it may consider necessary to attend the meeting.

IV. ACTIVITIES/ AREAS OF FOCUS ON CSR

As per the provisions of 135 of Companies Act, 2013, the activities to be covered under CSR are notified by way of schedule VII forming part of the Companies Act. The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, can undertake any of the following activities, as part of its corporate social responsibility initiatives, which are defined in Schedule VII of the Companies Act:

Activities relating to:-

- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

- v. 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;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund and or any other 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.
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.

V. CURRENT FOCUS:

To begin with, the Company shall focus on the following Activities which are in line with the Activities included in the Schedule VII of the Companies Act, 2013:

- a). Promoting Education, including providing infrastructure to the Schools/Institutions, primarily in the Government Sector; Employment enhancing vocation skills to SSLC/PU/Polytechnic students preferably in Rural areas;
- b). Promoting Healthcare, Sanitation facilities and making available safe drinking water to school children in Government Schools and Institutions; Providing assistance for setting up of Libraries/Information Centres/Career Counseling Centres in Schools/Colleges;

- c). Ensuring Environment sustainability, Ecological balance, protection of flora & fauna, conservation of natural resources & promotion such activities by conducting awareness camps & providing educational material on these subjects through Educational Instructions and NGOs operating in this Sector;
- d). Protection of National heritage, art and culture including restoration of buildings/sites of historical importance & works of art; setting up of Public Libraries; promotion of Traditional Art& Handicrafts;
- e). Undertake programmes & Activities that promote Rural Development.

The Board of Directors may on recommendation of the CSR Committee decide to collaborate, if required, with other Companies for undertaking CSR projects or programmes or activities which are in alignment with the Schedule VII to the Companies Act, 2013 and the Rules and Guidelines framed thereunder and as may be modified from time to time.

VI. Broad guidelines for consideration of the proposals and approval of CSR Projects/Programmes and Activities:

The Board of Directors of the Company may on recommendation of the CSR Committee, determine / approve the projects or programmes or activities 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.

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 upon recommendation of the CSR Committee.

a) The modalities:

The modalities of execution of CSR projects or programmes or activities and implementation thereof shall be determined by the Board of Directors upon the recommendation of the CSR Committee which are broadly illustrated as under.

- a) The minimum eligibility criteria and necessary guidelines for any project or programme or activity and / or other incidental or ancillary matters shall be finalized by the Board of Directors on recommendation of the CSR Committee.
- b) The CSR Committee shall frame Rules/Guidelines with regard to monitoring of the CSR projects or programmes or activities from time to time.
- c) 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 with by it, whether under Companies Act, 2013 or rules made thereunder or otherwise to the Managing Director or any other Officer of the Company, 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.

b) GUIDELINES:

- 1) All eligible Organizations/Institutions/Trusts/ AOPs/Companies/Boards & Corporations/Govt.Institutions/State&Dist/Taluk/City/TownAuthorities/ NGOs/ can apply for assistance under CSR.
- 2) The proposal/Request seeking assistance under CSR should contain the following details:
 - a) Request letter
 - b) Name of the project/s/Activities with details
 - c) The expected cost of the project/Activity
 - d) Copy of byelaws / trust deed/ memorandum of articles of association or such other Bylaws applicable to the concerned institution. The Trust seeking assistance under CSR should have been established without profit motive/share of profits to the trustees.
 - e) An undertaking letter stating that the institution will abide by the terms and conditions of the CSR policy of MC&A Ltd.,

- 3) The Application/Proposal received for assistance shall be duly recommended by the jurisdictional higher authority of the Institution concerned;
- 4) Individual proposals have to be within the frame work of the CSR Projects/programmes/activities.
- 5) The proposals/applications received may be subject to preliminary inspection by Project Monitoring Cell of the Company so as to consider its overall eligibility under the scope of CSR Policy of the Company.
- 6) The assistance sanctioned for the Programmes/Activities under CSR may be documented in the name of MC&A wherever applicable, and Necessary plaques/logo of the Company be put up/embedded on the Tools/Equipments/material provided by the Company.
- 7) The amount released or assistance provided by the Company under CSR will be subject to inspection by the Project Monitoring Cell.
- 8) The Organization will have to furnish utilization certificate for the assistance provided under CSR and an undertaking in this regard has to be furnished by the concerned institution, before availing disbursement.
- 9) The institution concerned has to utilize the funds/Assistance for the purpose for which it was sanctioned in a transparent manner.

c) Quantum of allocation of funds:

The Company, considering its profits for each year will make a budget provision for implementing projects/Programmes/Activities under CSR as per the provisions of Section 135 of the Companies Act, 2013 i.e. the Company shall spend at least 2% of the average net profits of the preceding three years under CSR Activities in each Financial Year.

VII. PROJECT MONITORING CELL:

The company will constitute a Project Monitoring Cell consisting of two to three Senior Officers of the Company. The Projects/Programmes/Activities sanctioned by the Company and amount released under CSR will be monitored by this Cell at regular intervals and submit its report considering both physical and financial progress in the implementation to the CSR Committee. The Committee in turn will place a Periodical Status Report to the Board.

VIII. BOARD:

The Board, duly considering the recommendations of the CSR committee shall approve CSR policy of the company and will disclose the contents of the policy in its Report to members such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014 and also on the company's website.

The Board shall also ensure that, the activities included in the CSR policy are undertaken by the company during the relevant financial year for its implementation within the overall policy frame work, and the provisions of Companies Act thereof.

IX. Audit

In addition to the continuous monitoring of the activities by a separate Project Monitoring Cell, all the CSR activities and expenses made thereon will be subject to audit by the Company Auditor/s as well.

X. Conclusion

The CSR policy of the company as stated above is only illustrative and will be amended from time-to-time within the overall provisions of the Companies Act and Rules made there under and as per the need of the changing times.

XII. Amendments to CSR Guidelines

1. To consider the Applications received from P.U. Colleges and Polytechnics wherever no applications are received from Government Schools from that Taluk/Ward etc for assistance under CSR from the Districts where the Company has Branch Offices.
2. In view of the Budget and other limitations, the assistance to be provided shall be limited to the maximum extent of Rs. 1.00 lakh per School.
3. In order to ensure that the assistance being provided by the Company under CSR is evenly spread across the State, it was decided to consider maximum of 5 Schools from each Taluk in the case of Rural Areas and 5 Schools in each Ward/Constituency in the case of urban areas of the State.

4. Applications received from Government Institutions could also be considered for providing assistance for pure Drinking Water Systems or Sanitary facilities/Rest rooms for girls or library etc.
5. To issue Work/Supply Orders to DSMS/the concerned District Supplies and Marketing Co-Op society limited to supply required furniture and other related Educational Equipments /Educational Tools to the Schools coming under its area of operations.
6. To issue Work/Supply Orders to the Agency/Shop/Organization where DSMS does not have its Office or Branch to supply/ provide required Educational Equipments/Infrastructure/Educational Tools and other related items to the Government Schools/ Institutions who have requested for providing Assistance other than Desks/Benches/Tables/Chairs etc which would cover under CSR Activities of the Company.
7. To instruct the concerned DSMS/Supplier to adhere to the quality standards while supplying the items to the Beneficiary Institutions at competitive rates without compromising the quality of the items supplied.
8. To make the payment to the DSMS/Agency against the Bills submitted which are countersigned and certified by the Beneficiary institutions for the items supplied in good condition.
9. To call for and obtain Utilization Certificate from the Beneficiary Institutions duly certified by the Head of the Institutions for the assistance provided by the Company.
10. Managing Director and the Chairman of the CSR Committee to set up monitoring mechanism by entrusting the responsibilities to one of the Senior Officer of the Company to undertake random/sample check/inspection of the Beneficiary Institutions to ensure that the assistance provided by the Company under CSR is properly utilized.

[CLICK HERE TO RETURN](#)