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Mac Charles (India) Limited

Corporate Social Responsibility Policy

PREAMBLE

This CSR Policy encompasses Mac Charles (India) Limited (MCIL) philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs and activities towards such responsibilities.

VISION STATEMENT AND OBJECTIVE

1. The CSR Policy sets out the Company's commitment towards ensuring that our activities extend beyond business and include initiatives and endeavors for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, we propose to adopt the CSR Activities mentioned below.
2. In alignment with the above vision, MCIL, through the CSR Activities, will endeavor to enhance value creation in the society and in the community, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.
3. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act 2013 and the rules issued thereunder.
4. The objective of this CSR Policy is to:
 - (i) Outline projects, programs and activities to be undertaken by MCIL;
 - (ii) Specify the modalities of execution of such projects, programs and activities;
 - (iii) Monitor the process to be followed for such projects, programs and activities;
 - (iv) Directly or indirectly take up programs that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace; and
 - (v) Generate community goodwill for MCIL and help reinforce a positive and socially responsible image, through our CSR Activities.

CSR COMMITTEE

1. The CSR Committee has been constituted in accordance with the provisions of the Companies Act, 2013 comprising of the 3 (three) Directors. The CSR Committee may invite other experts/ invitees as per its requirements.
2. The CSR Committee shall be responsible for:
 - (i) Formulating the CSR Policy, including the CSR Activities and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy;
 - (ii) Institute an implementation and monitoring mechanism for CSR Activities;

- (iii) Periodically updating the Board on the progress being made in the planned CSR Activities;
- (iv) Providing a responsibility statement in the Board's report.

PROJECTS, PROGRAMS AND ACTIVITIES

MCIL has identified the following focus areas of intervention:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, the 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- (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, paralympic sports and Olympic sports.
- (viii) Contribution to the Prime Minister's National Relief Fund 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.
- (xi) Slum area development.
- (xii) Prime Minister Cares Fund.

PROCESS OF APPROVAL

1. The CSR Committee shall make the necessary recommendation to the Board (viz. data collection, survey, quotations and costs involved etc.). For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
2. The CSR committee shall undertake sufficient due diligence of each of the CSR Activity before it is recommended.
3. Based on the recommendations of the CSR Committee, the Board shall approve the following:

- (i) The specific CSR Activities that should be undertaken from time to time;
 - (ii) The amount of the CSR Expenditure on each of the CSR Activity; and
 - (iii) Whether the CSR Activities will be undertaken directly or through an implementing agency or in collaboration with any other companies, including by availing services of any NGOs and record reasons for the same.
4. Activities undertaken in pursuance of the normal course of MCIL business shall not be considered towards CSR Expenditure.

***CSR EXPENDITURE AND ALLOCATION**

- a) The Board shall be responsible for sanctioning the CSR expenditure of the Company (“**CSR Expenditure**”) and to ensure that the amount of CSR Expenditure is available for implementing the CSR Policy.
- b) Approving the CSR action plan and budget as proposed by the CSR Committee.
- c) The Board shall satisfy itself that the funds disbursed for CSR activities have been utilized for the purposes and in the manner as approved by it. The Chief Financial Officer or the person responsible for financial management will be required to certify it to the effect.
- d) In case of an ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and will be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

IMPLEMENTATION

1. Baseline survey would be conducted by the implementing agency and annual reviews shall be undertaken to ascertain the progress.
2. The Board along with the CSR Committee shall be responsible for implementation of this CSR Policy.
3. We may undertake the CSR Activities either ourselves or through other qualifying Non-government organizations (“**NGOs**”) or agencies. Suitable documents / agreements shall be entered into with NGOs and the other agencies for the purposes of implementation of the CSR Activity, in case the CSR Activity is proposed to be implemented through the third party agencies. The conditions of grant of amounts for all CSR Activities and the break-up of the allocations shall be set out and evaluated from time to time.
4. To the extent feasible, a project based accountability approach to stress on the long term sustainability of CSR Activities shall be adopted, and the indicative action plan and implementation schedule (timelines) for the projects, programs and activities shall be adopted.

MONITORING MECHANISM

1. To ensure effective implementation of the CSR projects, programmes and activities undertaken in terms of this CSR Policy, the progress of each such project, programme and activity will be reported to the Board on a regular basis, with all requisite documentation.
2. A half yearly report on implementation shall be submitted to the Board by the CSR Committee.
3. The CSR Committee shall also try to obtain feedback from the beneficiaries of the CSR projects, programmes and activities. If considered necessary, the effectiveness of the various programs/ activities undertaken under the CSR Policy may be got evaluated through external agencies for providing the required feedback and inputs to formulate and improve the programs in future.

***SURPLUS ARISING OUT OF CSR ACTIVITIES**

- (a) Any surplus arising out of the CSR projects/ programs or activities shall be ploughed back into the same project or shall be transferred to an unspent CSR account within a period of 30 days from the end of the financial year and be spent within a period of 3 financial years from the date of such transfer.
- (b) In case the company fails to spend the amount within a period of 3 financial years it shall transfer the same to a fund specified in schedule VII with a period of 30 days from the date of completion of the 3rd Financial year.

REPORTING

1. The CSR Committee shall maintain proper minutes of all its meetings.
2. The CSR Committee shall prepare an annual report on CSR with such information and particulars as may be required by the Act and such report shall be included in the Board's report annexed to the financial statements.
3. The Board's report shall include an annual report on CSR containing such details as may be prescribed from time to time under the Act and the CSR Rules.
4. The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the CSR Rules are complied with.

***MANDATORY DISCLOSURES**

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.
