

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF MSIL**

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## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF MSIL**

### **1. Concept**

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of MSIL to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

### **2. Vision Statement:**

The core theme of the Company's CSR policy is giving back to the society from which it draws its resources by extending helping hand to the needy and the underprivileged.

Corporate Social Responsibility is the commitment of business to contribute for sustainable economic development by working with the employees, local Community and society at large to improve their lives in ways that are good for business and development. It is the contribution of the corporate sector for philanthropic causes like education, health, water, environment and community welfare.

In alignment with vision of the company, through its CSR initiatives, will continue to enhance value creation in the society by actively contributing to the social and economic development of the communities, through its services, conduct & initiatives, so as to promote sustained growth of the society, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern.

### **3. Objectives**

The objectives of the CSR Policy of MSIL are to:

Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

To directly or indirectly take up programmes that benefit the communities over a period of time, in enhancing the quality of life & economic well-being of the local populace. The Company and the employees are to actively involve and participate in social welfare projects by voluntarily taking time off from work.

### **4. Business principles:**

Our business principles prescribe that everyone at MSIL needs to follow the operational standards. It also supports our approach to governance, corporate social responsibility and continuous improvement.

### **5. Effective Date**

This policy will come into force with effect from August 21, 2015.

## **6. 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 Committee, referred above, shall
  - a. Formulate and recommend to the Board the CSR Policy and any amendments thereof;
  - b. Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
  - c. Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
- III. The CSR Committee shall meet as and when deemed 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 and such other person (s) as it may consider necessary to attend the meeting.

## **7. Activities and implementation**

- 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. 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 2013:
  - i. eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
  - ii. promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects;
  - iii. promoting gender equality and 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 of 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 of 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, and Paralympics sports and Olympic sports;
  - viii. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments 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.
- II. (i) & (ii) Schedule VII is to be liberally interpreted so as to capture the essence of subjects enumerated in the schedule. The Company will support the alcohol de-addiction activities / programme.
- III. 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.
- IV. 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 any delegatee thereof, on recommendation of the CSR Committee.
- V. 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.
- VI. The CSR Committee shall frame rules or issue directives with regard to monitoring of the CSR projects or programmes or activities.
- VII. 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.

- VIII. 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 MSIL or otherwise (Implementing Agency) provided that if such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects complying with the provisions relating to Companies (Corporate Social Responsibility) Rules, 2014.
- IX. 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.
- X. 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.
- XI. Notwithstanding anything contained herein, the Board of Directors shall have the authority to allocate the funds available for CSR for such objects as are enumerated in Schedule VII of the Companies Act, 2013.

#### **8. 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 preceeding 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 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.

## **9. Allied Matters**

- i. With regard to CSR activities, Boards Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014.
- ii. The Company shall display such particulars relating to CSR Policy and activities undertaken thereunder as stated under Companies (Corporate Social Responsibility) Rules, 2014.

## **10. Amendments to the policy**

The Board of Directors on its own and/or as per the recommendations of CSR Committee can 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.

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