

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

MC MACHINERY SYSTEMS INDIA PRIVATE LIMITED

I. Corporate Social Responsibility

Corporate Social Responsibility (CSR) is the way and mean through which corporates can repay the obligations made by the Society by contributing the resources in its various forms as required for the efficient operation of the Business. Corporate Social Responsibility is strongly connected with the principles of sustainability. Organization should make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of the Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. The Company aims to actively contribute to the social, economic and environmental development of the communities in which it operates, by undertaking Corporate Social Responsibility activities in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder, with the objective of building a sustainable and inclusive society and improving the country's human development indicators. In doing so build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

II. Composition of CSR Committee

- The Company shall constitute a Corporate Social Responsibility Committee of the Board in accordance with Section 135 of the Companies Act, 2013 and the Rules made thereunder, which shall comprise the requisite number of Directors (including an Independent Director where applicable) and shall have such functions, powers and authority as prescribed.
- In terms of provisions of Section 135(9), where the amount of Corporate Expenditure to be made by the Company does not exceed fifty lakh rupees during any financial year, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under the Companies Act 2013 shall, in such cases, be discharged by the Board of Directors of the Company.
- Hence, the Company shall have the power to dissolve and re-constitute the CSR Committee as per requirements of the Companies Act 2013.

III. Responsibilities of CSR Committee

The responsibility of the CSR committee shall include the following:

- 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.
- Recommend the amount of budgeted expenditure to be incurred on the activities referred to in clause (1) above.
- Formulation of Annual action plan and recommend to the Board.
- Identification and selection of Implementing Agency.
- Monitor the Corporate Social Responsibility Policy of the company from time to time
- Monitor implementation of CSR activities.
- Report to the Board of Directors about the CSR activities.

IV. CSR focus area Projects/Programs/Activities

In accordance with Schedule VII of Companies Act, 2013, the Company focus will be on the following:

- ✓ Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care, sanitation and making available safe drinking water;
- ✓ Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- ✓ 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
- ✓ 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;
- ✓ 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 art and handicrafts

- ✓ Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- ✓ Supporting rural and slum area development projects;
- ✓ Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government
- ✓ Contribution to the funds approved by the Central Government;
- ✓ Supporting Disaster Management including relief, rehabilitation and reconstruction activities.

V. CSR Activities & Implementation

The CSR Committee will prepare a list of CSR Projects/ Activities/Programmes, which the Company proposes to undertake during the financial year, specifying the modalities of execution in the areas/sectors chosen with implementation schedules for approval of the Board. The Company may take up other activities/Projects/Programs, as it may consider appropriate. The activities will be monitored by the CSR Committee on a quarterly basis; the Board of will be updated on the progress.

CSR activities will be undertaken as projects, programs or activities. The Company will undertake CSR activities in any of the following manners after complying with the provisions of the Companies Act, 2013:

- Directly by the Company or through its employees or through a registered trust or a registered society or a company established by the Company under section 8 of the Companies Act, 2013, registered under Section 12A and 80G of the Income Tax Act, 1961 or otherwise; or
- Through other, trusts or societies or a company registered under section 8 of the Companies Act, 2013 established by Government
- A Company established under Section 8 of the Companies Act, 2013 or registered public trust or a registered society registered under Section 12A and 80G of the Income Tax Act, 1961 and having an established track record of at least three years in undertaking similar activities.

- Partnering with other organisations/institutions who specialised in such projects
- Engaging the services of specialised agencies to implement the projects

While collaborating with other organisations / institutions or engaging the services of specialised agencies, the credentials of such entities will be verified, all requisite information and documentation would be obtained and necessary documentation would be completed

VI. CSR Budget

The amounts to be spent by the Company shall be as stipulated under the Companies Act, 2013, as amended from time to time (presently 2% of the average net profits of the Company for the preceding three financial years) and as approved by the Board.

Undertaking CSR Activity

The Company will undertake the CSR activities which are approved by the CSR Committee.

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

VII. Monitoring & Reporting

- CSR committee shall be required to meet up at regular intervals to discuss, review and monitor the CSR activities of the Company.
- CSR Committee shall obtain and review the relevant progress reports and impact of various CSR programs/projects/activities implemented and to identify gaps/slippages therein and to plan corrective measures as may be required for the purpose.
- CSR Committee shall ensure that the projects/programs/activities that are undertaken by the Company are in compliance with various applicable laws/regulations of the areas as identified for CSR expenditure.
- CSR Committee shall ensure that appropriate documentation of all the programs/projects/activities, statements of the budget & expenditure are being undertaken on regular basis.
- CSR initiatives of the Company will also be reported in the Annual Report of the Company

Disclosure

The Board of Directors shall include the summary of all the CSR activities undertaken pursuant to Section 135 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

VIII. Amendments to CSR Policy

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the CSR Rules by the MCA, under the Companies Act, 2013.