

MANGAL KESHAV GROUP

CORPORATE SOCIAL RESPONSIBILITY POLICY

This document contains the Corporate Social Responsibility (“CSR”) Policy of the Company.

1. BACKGROUND

1.1. It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. Further, CSR makes business sense as companies with effective CSR have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

2. OBJECTIVES

2.1. The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. The Company aims to act as a good corporate citizen and supplement the role of Government in enhancing the welfare measures of the society within the framework of its policy.

3. MEASURES

3.1. The CSR activities shall be undertaken by the Company as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

3.2. The CSR activities which are exclusively for the benefit of the Company’s employees or their family members shall not be considered as CSR activity.

3.3. The Company shall give preference to the local area or areas around where it operates, for spending the amount earmarked for CSR activities.

3.4. The Board of the Company may decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company, pursuant to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.

3.5. The following is the list of CSR projects or programs which the Company may undertake pursuant to Schedule VII of the Companies Act, 2013:

- a) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, and making available safe drinking water;
- b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;

- c) 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;
- d) 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;
- e) 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;
- f) measures for the benefit of armed forces veterans, war widows and their dependents;
- g) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- h) 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;
- i) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- j) rural development projects;
- k) any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under and the clarifications issued by the Government of India, Ministry of Corporate Affairs from time to time.

4. ORGANISATIONAL MECHANISM

4.1. The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of three directors, two of whom are independent directors.

4.2. The terms of reference of the CSR Committee are as under:

- a) Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013;
- b) Recommend the amount of expenditure to be incurred on CSR activities; and
- c) Monitor the CSR Policy of the company from time to time.

4.3. The Board of the Company, after taking into account the recommendations made by the CSR Committee, has approved this CSR Policy for the Company. The Company shall disclose the contents of this Policy in its Report and may also place it on the Company's website; and ensure that the activities as are included in the CSR Policy of the Company are undertaken by the Company.

4.4. The Managing Director will act as mentor and also monitor the successful and time bound implementation of the CSR activities/projects of the Company. To measure the impact of the work done, a social satisfaction survey / audit may be carried out by an external agency, if considered necessary.

5. ACTIVITIES, TARGETS, TIMEFRAMES AND MANAGEMENT:

5.1. The Company may, if required, carry out a baseline study encompassing various parameters such as – health indicators, literacy levels, sustainable livelihood processes, and population data – below the poverty line and above the poverty line, state of infrastructure, among others, of the area/ locality where it proposes to undertake CSR activities. Following this, a 1-year plan and/or a 5-year rolling plan may be developed for the holistic and integrated development of the intended beneficiaries. The CSR activities/projects may be assessed and monitored every quarter/year and may also be measured against targets and budgets. Wherever necessary, midcourse corrections may be made.

6. PARTNERSHIPS

6.1. Collaborative partnerships may be formed with the Company's holding or subsidiary or associate company or with the Government, District Authorities, village Panchayats, NGOs and other like-minded stakeholders if it can help to widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

7. BUDGETS

7.1. A specific budget shall be allocated for CSR activities and spending on CSR activities in pursuance of this Policy shall not be less than 2% of the average net profits of the Company during the three immediately preceding financial years, computed as per the provisions of the Companies Act, 2013 and the rules made and clarifications issued thereunder by the Government of India, Ministry of Corporate Affairs.

7.2. In case the Company fails to spend the budgeted amount, the Board shall specify the reasons for not spending the amount.

7.3. After the CSR budget has been recommended by the CSR Committee and approved by the Board of Directors of the Company, the actual CSR expenditure may be approved by the Managing Director or any Director or the Chief Executive Officer of the Company.

7.4. The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

7.5. The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

7.6. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but shall not include any expenditure on any item not in conformity or in line with activities which fall within the ambit of Schedule VII of the Companies Act 2013 and clarifications issued from time to time by the Government of India, Ministry of Corporate Affairs in this regard.

7.7. Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by Central Board of Direct Taxes, Government of India,

8. INFORMATION DISSEMINATION

8.1. Information regarding the Company's CSR Policy and its engagement in CSR activities may be disseminated on its website, annual reports and its internal communications as and when deemed fit.

9. MANAGEMENT COMMITMENT

9.1. The Company's Board of Directors, Management and employees subscribe to the philosophy of compassionate care and believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

10. REVIEW & UPDATION

10.1. The CSR Committee of the Board may review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and recommend suitable modifications as may be necessary, for the approval of the Board of Directors.

11. COMPLIANCE WITH COMPANIES ACT, 2013

11.1. This Corporate Social Responsibility Policy conforms to Section 135 of the Companies Act, 2013 read with Schedule VII thereto and shall, where required, stand modified to the extent necessary to give effect to the clarifications issued from time to time by the Government of India, Ministry of Corporate Affairs in regard to CSR activities.
