

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

I. CONCEPT AND VISION

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of the society and the area in which it operates. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a **Corporate Citizen** and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large and titles as the "**Corporate Social Responsibility (CSR) Policy**" which is based as per the Companies Act, 2013 and rules made there under.

This policy has been formulated and recommended by the CSR Committee and adopted by the Board of Directors at its Meeting held on August 20, 2014. The Board may, upon recommendation of the CSR Committee, amend or modify this CSR Policy as and when necessary.

II. DEFINITIONS

- **Board** means Board of Directors of the Company.
- **Corporate Social Responsibility (CSR)** means and includes but is not limited to:-
 - 1) Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013; or
 - 2) Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendation of the CSR Committee and approved by the Board as per this policy.
- **CSR Committee** means Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013.
- **Company** means MPS Limited
- **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the followings, namely:-
 - 1) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise, and
 - 2) Any dividend received from other companies in India, which are covered under and

complying with the provisions of section 135 of the Companies Act, 2013.

Provided that net profit in respect of financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act 1956 shall not be required to be re-calculated in accordance with the provisions of the Companies Act 2013.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the same meanings respectively assigned to them.

III. CONSTITUTION, COMPOSITION AND SCOPE OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

(a) Constitution and composition of the CSR Committee

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee comprising of 3 (three) or more members out of which at least one Director shall be an Independent Director.

The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of section 135 of the Companies Act, 2013.

The composition of CSR Committee shall be disclosed in the Board's report.

(b) Scope of the CSR Committee

The CSR Committee has been set up to;

- Formulate and recommend to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company as detailed in the Schedule VII to the Act
- Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy
- Monitor the CSR Policy from time to time

(c) Modalities of execution of the CSR Projects

The modalities of the execution of the CSR projects or programs and their implementation along with the monitoring process of such projects or programs as decided by the CSR Committee.

IV. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, undertake any of the following activities, as part of its corporate social responsibility initiative, which are defined in Schedule VII of the Companies Act 2013;

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. 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;
5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. 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;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10. Rural development projects

Provided that, the CSR projects and programs or activities that benefit only the employees of the Company and their relatives shall not be considered as CSR activities.

Also, the CSR activities undertaken in India only will be taken into consideration, in order to satisfy the requirement of section 135 of the Companies Act 2013.

V. IMPLEMENTATION AND RESOURCES FOR THE CSR ACTIVITIES

- For achieving its CSR Initiatives and Activities through implementation of meaningful & sustainable CSR programs, the Company needs to allocate, in every financial year, at least 2 % (two per cent) of the average net profit made by the Company during the three immediately preceding financial years.

The average net profit of the Company shall be calculated in accordance with section 198 of the Companies Act 2013.

- If in case the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the prescribed amount.
- The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- CSR expenditure shall include all expenses including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of CSR Committee, but should not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Schedule VII of the Act.

VI. CSR Reporting & Display of CSR Policy

The report of the Board of Directors of the Company shall include an annual report on CSR activities in the prescribed format and the Company shall also display the CSR policy on its official website.