

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
FOR
MSEB HOLDING COMPANY LTD.**

INDEX

Sr. No.	Topic	Page No.
1	<u>INTRODUCTION</u>	3
2	<u>DEFINITION</u>	3
3	<u>GUIDING PRINCIPLES</u>	5
4	<u>THRUST AREAS</u>	5
5	<u>CSR COMMITTEE</u>	5
6	<u>IDENTIFICATION OF CSR PROJECTS</u>	6
7	<u>IMPLEMENTATION OF CSR PROJECTS</u>	6
8	<u>FUND ALLOCATION AND OTHERS</u>	7
9	<u>REPORTING</u>	8
10	<u>POWER TO ISSUE CLARIFICATIONS</u>	8

1) INTRODUCTION

At MSEB Holding Company Ltd. (hereafter referred to as “Company”), we think it is critical to engage with the social and ecological challenges that face humanity. It is our conviction that the engagement with social issues must be deep, meaningful and formed on the bedrock of long-term commitment; for that is the only way by which real change can happen on the ground. This is also reflective of the fact that such an approach serves both, enlightened business interest and social good.

In order to bring in more accountability, transparency and ethical behavior in our social conduct, the Company has decided to introduce a Corporate Social Responsibility Policy (hereinafter referred to as “Policy”). The Policy seeks to encompass the Company’s philosophy and to guide its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

2) DEFINITION

- I. “Act” shall mean the Companies Act, 2013 including any modifications, amendments or re-enactment thereof.
- II. “Agency” (or Agencies) means any Section 8 Company or a registered trust/ society/NGO/ institution, performing social services for the benefit of the society and excluding a registered trust / society / NGO / institution / Section 8 Company, which is formed by the Company or its holding or subsidiary company/companies.
- III. “Approved Budget” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
- IV. “Board” shall mean the Board of Directors of the Company.
- V. “CSR Annual Plan” shall mean the annual plan detailing the CSR expenditure for the year.
- VI. “CSR Committee” shall mean the Corporate Social Responsibility Committee constituted by the Board in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.
- VII. “CSR expenditure” means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:
 - Contribution to CSR Projects which shall be implemented and/or executed by the Company;
 - Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and
 - Contribution to CSR Projects (including for corpus as required), which shall be implemented and/or executed by an Agency.

- Any other contributions covered under Schedule VII.

Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR expenditure.

VIII. “CSR Officer” shall mean the whole time person engaged by the Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.

IX. “CSR Projects” or “Projects” means Corporate Social Responsibility projects/activities/ programs/ initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company

X. Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects, which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

XI. “Financial Year” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

XII. “Group Companies” means holding company and subsidiaries of the Company.

XIII. “Net profit” shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.

XIV. “Rules” shall mean the Companies (Corporate Social Responsibility) Rules, 2014 including any re-enactment, modifications or amendments thereof.

XV. “Society” means a Society formed and registered under the Societies Registration act, 1860 by the Company and includes a society jointly formed and registered by the Company with all or any of its Group Companies.

XVI. “Trust” means a Trust created and registered under the Indian Trusts Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group Companies.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

3) GUIDING PRINCIPLES

MSEB Holding Company Ltd. firmly believes that CSR is primarily the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behavior which is:

- I. Honor the spirit of law and be a responsible corporate citizen.

- II. Pursue growth through harmony with the community via innovative management techniques.
- III. Adopt an approach that aims at achieving a greater balance between social development and economic development.
- IV. Work towards elimination of all barriers for the social inclusion of disadvantaged groups - such as the poor, socially backward, differently abled and others.
- V. Develop practices aimed at inclusive growth.
- VI. Thrust on Environment Protection.

4) THRUST AREAS

- I. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation and making available safe drinking water.
- II. Promoting education including special education and employment enhancing vocation skills especially among children, women, 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 centers 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 quality of soil, air and water.
- V. Measures for the benefit of armed forces veterans, war widows and their dependents.
- VI. Training to promote rural sports, nationally recognized sports, Paralympics' sports and Olympic sports; and
- VII. Rural development projects.

5) CSR COMMITTEE

The Corporate Social Responsibility Committee (CSR Committee) will be the apex body to head the CSR Governance structure and will oversee the CSR policy and programs. The Committee will report to the Board of Directors. The CSR committee comprises of following directors:

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|---|------------|
| I. Shri. Vishwas Vasant Pathak (Independent Director) | – Chairman |
| II. Smt. Neeta Shrirang Kelkar (Independent Director) | – Member |
| III. Shri. Vikram Kumar (Non-executive Director) | – Member |

The Company Secretary will act as Secretary to the CSR Committee.

An officer of the Company at the senior most level will be designated as a CSR Officer and will report to the CSR committee.

6) IDENTIFICATION OF CSR PROJECTS

- I. CSR Projects need to be identified and planned for approval of the CSR Committee, in particular in Thrust Areas, with estimated expenditure and phase wise implementation schedules
- II. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
- III. As a cardinal principle, the CSR Projects in Thrust Areas shall be identified on the basis of a detailed assessment survey.
- IV. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of identification of CSR Projects.

7) IMPLEMENTATION OF CSR PROJECTS

The Company shall implement the identified CSR Projects by the following means:

A. Direct Method

- I. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy.
- II. The Company may also implement the identified Projects presently through its Trust or Society, if any, which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
- III. The CSR Officer may engage external professionals/firms/agencies, if required, for the purpose of implementation of its CSR Projects.
- IV. The Company may collaborate with other companies, including its subsidiary Companies, if required, for fulfilling its CSR objects through the direct method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

B. Indirect Method

The Company may implement the identified CSR Projects through Agencies subject to the condition that:

- I. The activities pursued by the Agency are covered within the scope and ambit of Schedule VII of the Act provided
 - The Agency has an established track record of at least three years in undertaking similar programs or projects, and

- The Company has specified the project to be undertaken through the Agency, which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism, which shall be at least once in three months.
- II. The Company, may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

8) FUND ALLOCATION AND OTHERS

- I. The Company, in every Financial Year, shall endeavor to spend the feasible amount, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.
- II. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
 - a. Identified CSR Projects
 - b. CSR expenditure
 - c. Implementation Schedules
- III. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee
- IV. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134.

9) REPORTING

Comprehensive, transparent reporting on sustainability and CSR is a cornerstone of good governance. The Company aims to publish and report the CSR programs to the Ministry of Corporate Affairs as required under Section 135 of the Companies Act 2013.

Further, as per the regulations, the Company shall make disclosures relating to the CSR in its Board Report

10) POWER TO ISSUE CLARIFICATIONS

The Company shall have the power to issue any clarifications on the various provisions of this CSR Policy, from time to time.