



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Introduction

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) were amended vide the Companies (Amendment) Act, 2020 which were effective 28th September, 2020. Further, the Ministry of Corporate Affairs vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (effective 22nd January, 2021) introduced major changes in the law governing the CSR spending by companies.

In view of the above, it is deemed fit to suitably amend the existing CSR Policy of the Company as enumerated herein.

Objective

At Mysore Petro Chemicals Limited (MPCL) we believe that Corporate Social Responsibility (CSR) is an integration of the Community's Economic, Environmental and Social aspirations with the Company's business goals and objectives for sustainable growth and development.

As a socially responsible corporate member of the world community with long-enduring relationships, we believe that the future of our business is best served by respecting the interests of the Society at large. Through our efforts, we shall strive to improve the living standards of the surrounding community. Our CSR activities shall aim to bring a difference in the lives of the needy, underprivileged persons of the society including children, women and senior citizens.

Definitions

In this Policy, unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under –

“**Act**” means the Companies Act, 2013.

“**Administrative overheads**” means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

“**Board**” means Board of Directors of the Company.

“**Corporate Social Responsibility (CSR)**” means the activities undertaken by the Company in accordance with the CSR Policy.

“**CSR Committee**” means the Corporate Social Responsibility Committee constituted by the Board of Directors of the Company.



“**CSR Rules**” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

“**International Organisation**” shall have the meaning as ascribed to it under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

“**Ongoing Project**” means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and may include such project that was initially not approved as a multi-year project but whose duration could be extended beyond one year by the Board based on reasonable justification;

Guiding Principles

The Company shall be guided by the following principles while selecting, implementing or monitoring the CSR activities: accountability, transparency and sustainability:

1. Priority shall be given to the issues which are of utmost national importance viz. eradicating hunger, poverty and malnutrition, safe drinking water, environment sustainability, education, health and sanitation, disaster response, arts, heritage and culture, etc.
2. The focus of CSR activities shall be on sustainable development and address the basic needs of the deprived/weaker section of the Society.
3. Overall developmental activities in areas surrounding the Company’s plants for the overall benefit of the society.
4. For meeting the requirements arising out of immediate and urgent situations with regard to formulated CSR projects / programmes, the Chairperson of CSR Committee or Board as the case may be shall be authorized to approve such proposals and expenditures.
5. The CSR committee / Board as the case may be shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

Implementation

1. The CSR projects shall be undertaken by the Company directly or through an entity as referred to in Rule 4 of the CSR Rules. The Company shall ensure that such entity registers itself with the Central Government by filing Form CSR-1 with the Registrar of Companies and the Company obtains the unique CSR registration number from such entity.
2. CSR activities can be undertaken for Ongoing Project.
3. The Company may engage International Organisations for designing, monitoring and evaluation of the CSR projects or programmes.



4. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities provided the Company is able to report separately on such projects or programmes in its CSR Report.
5. The Company may be permitted to spend the CSR amount for the creation /acquisition of capital asset and in such cases, the capital asset shall be held by the entities named in accordance with Rule 7(4) of the CSR Rules.

Corporate Social Responsibility Committee

Composition:

The Corporate Social Responsibility Committee (“CSR Committee”) shall consist of three or more Directors amongst whom at least one shall be an Independent Director.

Pursuant to the Companies (Amendment) Act, 2020 vide Notification dated 28th September, 2020 (effective from 22nd January, 2021), the relaxation has been granted to the Companies with respect to constitution of CSR Committee, if the amount to be spent by a company towards CSR does not exceed Rs. 50 lakhs in a financial year and the functions of such Committee shall be discharged by the Board of Directors. In view of this, the Board of Directors may in case of the above scenario, dissolve the CSR Committee of the company and relieve the members of their duties. Thereafter, all the functions of the CSR Committee shall be discharged by the Board of Directors.

Meetings:

The CSR Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

Responsibility of the CSR Committee

The CSR Committee shall be entrusted with the following responsibilities:

1. It shall be the responsibility of the CSR Committee to formulate and recommend to the Board, an annual action plan, which shall include the following:
 - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of such projects or programmes as specified in Rule 4(1) of the CSR Rules;
 - c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d. monitoring and reporting mechanism for the projects or programmes; and
 - e. details of need and impact assessment, if any, for the projects undertaken by the Company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.



2. Monitoring the implementation of the CSR Policy
3. Formulate and recommend to the Board, the CSR Policy
4. Recommend to the Board, the CSR expenditure to be incurred during each financial year.

Responsibility of the Board

The Board shall be entrusted with the following responsibilities:

1. Approve the annual action plan and the CSR Policy as recommended by the CSR Committee.
2. Satisfy itself that the CSR funds disbursed by the Company have been utilised for the purposes and in the manner as approved by it. The Chief Financial Officer shall give his certification to this effect.
3. In case of Ongoing Project, monitor the implementation of the project with reference to the approved timelines and year-wise allocation.
4. May make such modifications as it may deem fit for smooth implementation of the project within the overall permissible time period.
5. Ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.
6. Ensure that the Company spends the annual CSR amount in accordance with CSR Policy.
7. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
8. Where the Company spends an amount in excess of requirement provided under Section 135(5), such excess amount can be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - a. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, stated hereinabove and
 - b. the Board of the Company passes a resolution to that effect.

Reporting:

1. The Board's report shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II of the CSR Rules, as may be applicable.
2. Where in any 3 immediately preceding financial years, the average CSR obligation of the Company is Rs. 10 crores or more, the Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 crore or more, and which have been completed not less than 1 year before undertaking the impact assessment study.
3. The impact assessment report shall be placed before the Board and annexed to the annual report on CSR.

Display on Company's Website

The website of the Company shall contain the following information:



1. Composition of the CSR Committee
2. CSR Policy
3. Projects approved by the Board

General

- a. In case of any doubt with regard to any provision of the policy and also in respect of the matters not covered herein, a reference can be made to the CSR committee. In all such matters the interpretation and decision of the Chairperson of the Committee shall be final.
- b. Any or all provisions of the CSR Policy would be subject to revision/amendment in consultation with CSR committee and in accordance with the guidelines on the subject as may be issued by the government from time to time.
- c. The Board may modify or amend the Policy from time to time. However this policy in whole or in part shall stand modified / amended from time to time without any further act on the part of the Company as and when there would be any statutory modification(s) / amendment(s) / revision(s) to the applicable provisions thereto.

This Policy was approved by the CSR Committee and the Board in its Meeting held on 25th May 2015 and subsequently modified on 8th June, 2021.