



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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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, under privileged 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 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 shall be authorized to approve such proposals and expenditures.
5. The CSR committee 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).



Areas to be covered under CSR

- a. To identify core areas where social activities are required to be done i.e. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- b. promoting education, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- c. rural development projects.
- d. Overall developmental activities in areas surrounding our manufacturing sites for the benefit of the society.
- e. Any other projects which may be recommended and taken from time to time.

Organizational mechanism and responsibility:

- a. CSR programmes / projects as may be identified by the Management within the framework of CSR areas mentioned above shall be required to be put up to the CSR committee for approval.
- b. Pursuant to the provision of Section 135(9) of the Act, where the amount to be spent by the Company under Section 135(5) of the Act does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall in such cases be discharged by the Board of Directors of the Company. Accordingly, the Board of the Directors shall discharge the duties of the CSR Committee.
- c. The Board shall appoint person/s who shall be responsible for ensuring compliance in their areas for the related CSR programmes / projects.
- d. The Board shall endeavor to spend in every financial year 2% of the average net profits of the Company made during the three immediately preceding financial year in pursuance of this policy as per the related provisions under the Act and rules thereunder. CSR expenditure shall be all expenditure including contribution to corpus or on projects or programmes relating to CSR activity areas mentioned in this policy.
- e. Appropriate documentation of CSR policy, annual CSR activities, executing partners and expenditures entailed shall be undertaken on a regular basis.
- f. Compliance of this policy including implementation schedules for such CSR projects / programmes shall be periodically monitored and reviewed by the Board of Directors from time to time.
- g. For meeting the requirements arising out of immediate and urgent situations with regard to formulated CSR projects / programmes, the Chairman is authorized to approve such proposals in terms of the empowerment accorded to him by the CSR committee.
- h. The contents of the policy and Annual report on CSR activities to be included in the Board Report and shall also be placed on the Company's website as per the particulars specified in the Act.
- i. Any surplus arising out of the CSR Projects or programmes or activities shall not form part of the business profit of the Company.

The Board shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.



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. CSR Policy
2. 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 Board of Directors. In all such matters the interpretation and decision of the Chairman of the Company is final.
- b. Any or all provisions of the CSR Policy would be subject to revision/amendment in consultation with the Board of Directors of the Company and in accordance with the guidelines on the subject as may be issued by the Government of India from time to time.
- c. The Company reserves its right to modify, cancel, add, or amend any of these rules. 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 amended on 8th June, 2021.