

MIL INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. CSR POLICY

This CSR Policy encompasses MIL's philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programmes and activities towards such responsibilities and contribution to the Social, Economic and Environmental Development of the community where it operates as a corporate citizen and undertaking socially useful programmes for the transformation through different participatory and sustainable development of the communities at large by ensuring participation from the community and thereby create value for the nation.

This policy shall apply to all CSR initiatives and activities taken up not only at the various locations of the Company but also in any other parts of the country, for benefit of the society.

II. VISION STATEMENT AND OBJECTIVE

1. The CSR Policy sets out MIL's commitment towards ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, we propose to adopt the CSR Activities mentioned below.
2. In alignment with the above vision, The Company, through the CSR Activities, will endeavour to enhance value creation in the society by deploying skills and resources in key areas such as economic development, sanitation, quality education, health care, conservation of environment and protection of animal welfare, conservation of natural resources and maintaining quality of soil, air and water.
3. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act 2013 and the rules issued thereunder.
4. The objective of this CSR Policy is to:
 - (i) Outline projects, programmes and activities to be undertaken by the company;
 - (ii) Specify the modalities of execution of such projects, programmes and activities;
 - (iii) Empower the people to ensure sustainable and permanent improvement in the lives of the people living in the villages;
 - (iv) Strive for the development of the community that positively impact the society at large, especially the weaker sections of society.

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III. CSR COMMITTEE

1. The CSR Committee has been constituted in accordance with the provisions of the Act comprising of at least 3 (three) Directors. The Company Secretary shall be the secretary to the Committee. The CSR Committee may invite other experts/ invitees as per its requirements.
2. The CSR Committee shall be responsible for:
 - (i) Formulating and recommending to the board, the CSR Policy, including the CSR Activities and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy;
 - (ii) identifying CSR activities to be undertaken in terms of the provisions of the Act and Rules thereunder, provided such activities are indicated in the CSR Policy;
 - (i) Institute an implementation and monitoring mechanism for CSR Activities;
 - (ii) Updating the Board on the progress being made in the planned CSR Activities;
 - (iii) Monitor the process to be followed for such projects, programmes and activities;
 - (iv) Providing a responsibility statement in the Board's report.

IV. PROJECTS, PROGRAMMES AND ACTIVITIES

1. The Company shall implement the CSR Policy in accordance with the requirements under Section 135 of the Act and the Rules framed thereunder, and currently, the Company's CSR activities undertaken through implementing agency will focus on:
 - (i) **ECONOMIC DEVELOPMENT:** Empowering women by providing vocational skills for self employment and sponsoring vehicles for physically impaired women for mobility to work and support their families.
 - (ii) **ENVIRONMENT:** Ensuring environmental sustainability, ecological balance, animal welfare, conservation of natural resources by way of construction of various water, and soil conservation structures, including rain water harvesting systems to increase the groundwater level, reduce soil erosion and increase crop cultivation area.
 - (iii) **EDUCATION:** Promoting education, including special education, especially among children, providing computer literacy for physically challenged and women in rural areas or any part of India for the welfare of the community.

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- (iv) **HEALTHCARE:** Reduction of malnutrition among children for the people belonging to the weaker section of the society and reduction of open defecation by individuals by construction of toilets and promoting awareness of the disadvantages of open defecation; and promoting access to safe drinking water.
 - (v) **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation.
2. The criteria for selecting trusts, old age homes, schools/ areas where the CSR Activities will be carried will, *inter-alia*, comprise of the following:
 - (i) The school should be a government/semi-government school.
 - (ii) Readiness on the part of the school management, local authorities, trusts or orphanages and the community to give their full support.
 3. For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
 4. The CSR Committee shall undertake sufficient due diligence of each of the CSR Activity before it is implemented.
 5. Based on the recommendations of the CSR Committee, the Board shall approve the following:
 - (i) The specific CSR Activities that should be undertaken from time to time;
 - (ii) The amount of the CSR Expenditure on each of the CSR Activity; and
 - (iii) Whether the CSR Activities will be undertaken directly or through an implementing agency by availing services of any NGOs and record reasons for the same.
 6. Activities undertaken in pursuance of the normal course of business shall not be considered towards CSR Expenditure.

Vehicle for implementation

We may undertake the CSR Activities either ourselves or through other qualifying Non-government organizations (“NGOs”) or agencies. The projects, programmes or activities identified by the CSR Committee and approved by the Board shall be implemented through the third party agencies.

V. MONITORING MECHANISM

1. To ensure effective implementation of the CSR projects, programmes and activities undertaken in terms of this CSR Policy, the progress of each such project, programme and activity will be reported to the CSR Committee periodically as and when required.

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2. The CSR Committee will review the effectiveness of the mechanism, activities undertaken by the company whenever required.
3. The CSR Committee shall also try to obtain feedback from the beneficiaries of the CSR projects, programmes and activities. If considered necessary, the effectiveness of the various programmes/ activities undertaken under the CSR Policy may be got evaluated through external agencies for providing the required feedback and inputs to formulate and improve the programmes in future.
4. If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives of the company for ensuring the implementation of the project undertaken.

VI. IMPACT ASSESSMENT

1. Regular and interactive feedback sessions shall be conducted at all levels including with other NGOs through which CSR Activities are being undertaken as well as the respective beneficiaries of all the CSR Activities undertaken by us..
2. Field visits shall be conducted at regular intervals to ensure effective implementation.
3. If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives for this purpose.

VII. BOARD OF THE COMPANY WILL BE RESPONSIBLE FOR:

1. approving the CSR policy as formulated by the CSR Committee, with or without modifications;
2. considering the recommendations of the CSR Committee and providing appropriate instructions / directions to the CSR Committee when required;
3. preparing a budget of expenditure to be applied for CSR projects contemplated in the annual policy of the Company ;
4. ensuring that in each financial year the Company spends at least 2% of the average net profits of the Company, made during the 3 (three) preceding financial years, or such other amount as prescribed under the Act and Rules framed thereunder, in pursuance of its CSR Policy.
5. disclosing in the Report of the Board, the names of CSR Committee members and ensure annual reporting of its CSR activities in the format as prescribed under the Act and the Rules framed thereunder.
6. complying with the requirements of the Act and the Rules regarding corporate social responsibility.

VIII. REPORTING

1. The CSR Committee shall maintain proper minutes of all its meetings.

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2. The CSR Committee shall prepare an annual report on CSR with such information and particulars as may be required by the Act and such report shall be included in the Board's report annexed to the financial statements.
3. The Board's report shall include an annual report on CSR containing such details as may be prescribed from time to time under the Act and the CSR Rules.
4. The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the CSR Rules are complied with.

IX. GENERAL

1. Any surplus arising out of the CSR projects/programmes or activities shall not form part of the business profits of the company.
2. All administrative expenses, including expenditure on wages and salaries, tours and travels, and training and development of personnel deputed on CSR Activities would be borne from CSR funds. However, the expenditure in a financial year for building CSR capacities of the personnel as well as the implementing agencies shall not exceed 5% (five per cent.) of total CSR Expenditure in such financial year.
3. If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the CSR Committee may, with approval of the Board, may discontinue funding the project at any time during the course of implementation and use such funds for any other project.
4. The CSR Policy recommended by the CSR Committee and approved by the Board shall be displayed in the Company's website for public viewing. In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
5. All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws. The Company reserves the right to modify, cancel, add, or amend this CSR Policy.
