

# 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. GOVERNANCE

The approval of the CSR policy and oversight is the responsibility of the Company's Board of Directors. The responsibility of the CSR committee is to formulate the policy and to administer the policy through implementing partner(s) or via self-implementation.

The CSR Committee shall provide guidelines for projects/partner selection to the respective HR or CSR teams, wherever applicable. The CSR committee is to ensure that projects/programmes are compliant with regulations and are monitored and reported effectively.

As the Company's CSR activities evolve, the policy may be revised by the CSR committee and approved by the Board of Directors.

## IV. ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this policy, which shall include the following, namely:-

- (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 or as may be permitted;
- (b) the manner of execution of such CSR projects or programmes;
- (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:

Based on the recommendation of the CSR Committee, the Board may alter the action plan at any time during the financial year, based on a reasonable justification to that effect.

## V. CSR EXPENDITURE

The CSR Committee shall recommend to the Board the amount of expenditure to be incurred on the CSR activities to be undertaken by the company in areas or subjects specified in Schedule VII of the Companies Act, 2013 or as may be permitted by MCA from time to time.

### a) Unspent CSR amount:

Any amount remaining unspent pursuant to any ongoing project shall be transferred within the stipulated period stated in the Act/Rules to a separate bank account designated in the name of the Company.

The amount so transferred to the Unspent CSR Account should be utilized within three financial years from the date of such transfer failing which the amount unspent at the end of the third financial year should be transferred to a Fund specified in Schedule VII or by the Ministry of Corporate Affairs from time to time within the time prescribed in the Rules (currently six months from the expiry of the third financial year).

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On-going project for the purpose of this policy means an on-going project as defined under the Rules. Any amount remaining unspent in respect of any project not being an on-going project shall be transferred within the stipulated period stated in the Act/Rules to the Fund specified in Schedule VII or by the Ministry of Corporate Affairs from time to time.

## b) Excess CSR spend

Any amount spent in excess of the requirement under Section 135 of the Companies Act, 2013 may be set off against the CSR obligation under Section 135 of the Act up to immediate succeeding three financial years subject to the conditions that:

- (i) the excess amount available for set off should not include the surplus arising out of the CSR activities, if any.
- (ii) Setting-off of the excess CSR spend requires the approval of the Board.

## VI. Implementation

The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy.

The Company shall implement its CSR programmes/projects:

- a) Through an implementation partner that can be a public charitable trust or a society registered under applicable Acts or a Company registered under Section 8 of the Companies Act 2013 which satisfies the conditions prescribed in the Rules;

With effect from 1<sup>st</sup> April 2021, implementation partners are required to register themselves with the Central Government in the manner as laid down in the Rules. The Company should engage with only registered implementation partners to undertake CSR activities.

or

- b) On its own, through the relevant HR or CSR department or
- c) through its own foundation (if applicable) specifically created for implementing its CSR initiatives.

The Company can engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of the Company's own personnel for CSR.

The Company may also enter into partnerships or alliances with NGOs, Trusts, or other Corporate Foundations etc. to effectively implement its CSR programmes / projects.

The Company can also collaborate with other company(ies) for undertaking projects or programmes or CSR activities in such a manner that the CSR Committee is in a position to report separately on such projects / programmes.

The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners.

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Any creation or acquisition of a capital asset out of the CSR funds should be strictly undertaken in the manner prescribed in the Rules.

## VII. Monitoring of CSR activities and Reporting

The CSR Committee will oversee the implementation and monitoring of all CSR projects/ programmes and periodic reports shall be provided for review to the Board.

The Board should ensure that the administrative overheads do not exceed five percent of the total CSR expenditure for a financial year.

The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

CSR initiatives of the Company will also be reported in the Annual Report of the Company.

## Reporting and Disclosures

The Board's Report should include the Annual Report on CSR containing the particulars as specified under the Act and Rules.

## Impact Assessment

There is no need for impact assessment of the above mentioned CSR projects as the CSR amount required to be spent are below the criteria for doing impact assessment.

## General

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Company reserves the right to modify, cancel, add, or amend any of these Policy Rules.

The other terms and conditions on implementing the CSR projects and program shall be complied as per the provisions of Section 135 of the Companies Act, 2013 and its Rules and amendments thereon

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