



# CORPORATE SOCIAL RESPONSIBILITY POLICY

M G F Developments Limited  
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## 1. PREFACE

In M G F Developments Limited (“MGFD”), Corporate Social Responsibility is focused on enhancing the lives of the local community in which it operates. This takes shape by way of providing new skills and in general, creating a better quality of life for the people in the communities in which the Company operates. We strongly believe in contributing towards the betterment of society and endeavour to create a positive impact, while achieving our business goals.

Further, pursuant to the provisions of Section 135 of the Companies Act 2013, and Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time, every Company having Net Worth of Rs. 500 Crore or more; or Turnover of Rs.1,000 Crore or more; or Net Profit of Rs. 5 Crore or more during any financial year shall constitute Corporate Social Responsibility Committee (‘CSR Committee’) and the CSR Committee shall:

- i. formulate and recommend the CSR Policy which shall indicate the activities to be undertaken by the Company as prescribed,
- ii. recommend the amount of expenditure to be incurred on the activities referred to in clause (i),
- iii. monitor the Corporate Social Responsibility Policy of the Company from time to time.

This Policy on Corporate Social Responsibility (CSR Policy) has been formulated by the management and approved by the Board of Directors of the Company.

## 2. Objectives

The objectives of this policy are:

- To make CSR a key business process for sustainable development of the society and lays down the guidelines & mechanism for undertaking CSR programs/ activities in consonance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- To directly/ indirectly undertake projects/ programs, which will enhance the quality of life and economic well-being of the communities, in and around our business operations and the society at large.
- To generate goodwill and recognition among all stakeholders of the Company.

## 3. Scope

The Company through its CSR initiatives is committed to improve the social and economic development of the community and geographical areas, with focus on the local areas around its business operations. This will include skill development, health, social welfare and education and ensuring environmental sustainability and ecological balance.

## 4. Definitions

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

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

**“CSR Policy”** means this document or statement made in due compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, duly approved by the Board of the Company;

**“Company”** means ‘M G F Developments Limited (“MGFD”)’.

**“CSR Committee”** means the committee constituted under the provisions of Section 135 of the Act.

**“Director”** mean the Director of the Company.

**“Net Profit”** means Net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include:

- i. any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
- ii. any dividend received from other Companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

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

Words and expressions used in this CSR Policy and not defined herein but defined in the Act or in the Rules made thereunder shall have the same meanings respectively assigned to them in the Act or in the Rules.

## **5. CSR Activities**

The Policy recognises that corporate social responsibility is not merely compliance, it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Schedule VII of the Act:

- i. Eradicating hunger, poverty and malnutrition, ‘promoting health care including preventive health care’ and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of 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
- iv. facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- v. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, rescue & nurse injured speechless feathered creatures/ birds and agro

forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

- vi. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
- vii. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- viii. Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports;
- ix. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- x. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
  
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- xi. Rural development projects;
- xii. Slum area development;
- xiii. Disaster management, including relief, rehabilitation and reconstruction activities.

CSR activities shall be undertaken as projects, programs or activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

## **6. Annual Spends/ Allocation of funds**

- i. The Company would endeavor to spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The amount would be calculated as per the provisions of the Act.
- ii. All reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the

- iii. Board of Directors shall, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reasons for not spending the amount and unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII to the Act within a period of six months from the expiry of the financial year.

Provided that if the Company spends an amount in excess of the requirement provided under the Act, such excess amount may be set off against the requirement to spend for immediate succeeding three financial years.

- iv. In case the unspent amount relates to any ongoing project undertaken by the Company in pursuance of this Policy shall be transferred to a special account to be opened by the Company to be called the 'Unspent Corporate Social Responsibility Account' within a period of thirty days from the end of the financial year and such amount shall be spent by the Company in pursuance of its obligation towards CSR within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII within a period of thirty days from the date of completion of the third financial year.
- v. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by-
  - (a) a Company established under Section 8 of the Act or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
  - (b) beneficiary of the said CSR Project, in the form of self-help groups, collectives, entities; or
  - (c) a public authority.
- vi. The tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961.

## **7. Policy Guidelines**

- i. the Board will approve the Annual Action Plan.
- ii. The Company will undertake its CSR activities through its own personnel/ HR department or through Section 8 Company incorporated by the Company/a registered public trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961 established by the Company, either singly or along with any other Company. If the entity through which the CSR activities are being undertaken is not established by the Company or its holding, subsidiary or associate Company, such
- iii. entity would need to have an established track record of at least three years in undertaking similar activities.
- iv. The Company would give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities, but not limited to it.
- v. The Company shall undertake the CSR projects or programs in accordance with the provisions of Section 135 read with Schedule VII of the Act and the rules made thereunder, with the approval of the Board of Directors.

- vi. The Board will satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it. The Board will obtain a certificate from the Chief Financial Officer or the person responsible for financial management who will certify the same in this regard.
- vii. The Board shall monitor the implementation of the on-going project with reference to the approved timelines and year-wise allocation and if required make modification for smooth implementation of the project within the overall permissible time period.
- viii. The activities that are exclusively for the benefit of the employees or their family members would not be considered as part of its CSR activities.

## 8. Review and Reporting

- i. The Board shall disclose the contents of this Policy in Board report and also place it on the Company's website, if any, in such manner as prescribed under the Act.
- ii. The Company shall include in its Board's Report, an annual report on CSR initiatives/ activities, in the format as set out herein as **Annexure – II as prescribed by the Act.**
- iii. If the Company ceases to be covered under sub-section (1) of Section 135 of the Act, it shall not be required to comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in Section 135(1) of the Act.

## 9. Amendment

The Board of Directors reserves its right to modify, cancel, add or amend this Policy in whole or in part, at any time without assigning any reason whatsoever. 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)/ revisions(s) made to the applicable provisions of the Act and/or the Rules made there under.

In case of any clarification on any matter, including interpretation of this Policy, the Company Secretary of the Company shall be contacted. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned.

This Policy is subject to continuous review and updates as may be required from time to time.

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**[Annexure -II]**

**Format for the Annual Report on CSR Activities to be Included in the Board's Report For Financial Year Commencing on or After 1st Day of April, 2020**

1. Brief outline on CSR Policy of the Company.
2. Composition of CSR Committee:

<b>Sl. No.</b>	<b>Name of Director</b>	<b>Designation / Nature of Directorship</b>	<b>Number of meetings of CSR Committee held during the year</b>	<b>Number of meetings of CSR Committee attended during the year</b>

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

<b>Sl. No.</b>	<b>Financial Year</b>	<b>Amount available for set-off from preceding financial years (in Rs)</b>	<b>Amount required to be set-off for the financial year, if any (in Rs)</b>
1			
2			
3			
	<b>Total</b>		

6. Average net profit of the company as per section 135(5).
7. (a) Two percent of average net profit of the company as per section 135(5)
  - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
  - (c) Amount required to be set off for the financial year, if any
  - (d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	Total								



- (d) Amount spent in Administrative Overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)
- (g) Excess amount for set off, if any

SI. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

SI. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SI. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

**(asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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