

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY, 2018
of MSPH & WC Ltd.

1.0 PREAMBLE

1.1 This Corporate Social Responsibility ("the CSR Policy") has been framed by MSPH & WC Ltd. (the Company) in accordance with the Section 135, Schedule VII of the Companies Act, 2013 (The Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by the Ministry of Corporate Affairs on February 27, 2014 and as amended from time to time.

Unless the context otherwise requires, the definitions mentioned in the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time (The CSR Rules), shall apply to this CSR Policy.

2 SCOPE

2.1 This CSR Policy shall apply to all CSR projects/programmes/activities undertaken by the Company mentioned in Schedule VII of Companies Act, 2013 with such exceptions, modifications and adaptations therein;

3 Corporate Social Responsibility Committee

3.1 The Company has constituted Corporate Social Responsibility Committee ("the Committee") in its 233rd Board Meeting held on 30th November, 2017 vide Resolution No.1465 comprising of following three Directors :

1) Chairman :-

Managing Director

MSPH & WC Ltd.

2) Committee Members :-

(i) Principal Secretary (SPL),

Home Department,

Govt. of Maharashtra, Mumbai.

(ii) Joint Managing Director

MSPH & WC Ltd.

And with following Terms of reference:

(a) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013;

(b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

- (c) To formulate and recommend an annual action plan in pursuance of CSR Policy covering the following aspects:
- i. The list of approved CSR projects or programs to be undertaken in areas or subjects specified in Schedule VII to the Act;
 - ii. The manner of execution of such projects or programs as specified in rule 4(1) of CSR Rules;
 - iii. The modalities of utilisation of funds and implementation schedules for the projects or programs;
 - iv. Monitoring and reporting mechanism for the projects or programs; and
 - v. Details of need and impact assessment, if any, for the projects undertaken by the company;
- (d) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect.
- (e) To monitor the CSR policy of the Company from time to time;
- (f) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

3.2 The quorum of the aforesaid Committee shall be two and the Company Secretary shall be the Secretary of the above Committee.

3.3 Role of CSR Committee

The CSR Committee should recommend the approach and direction of CSR activities to be undertaken by the company and also provide Guiding principles for:

- a) Formulation of CSR Policy in accordance with section 135 of Act read with CSR Rules, and recommend the same to the Board for approval and adoption.
- b) Monitor the implementation of CSR Policy in the Company as provided herein.
- c) Identification of the projects / programmes / activities to be undertaken by the Company under CSR as per Schedule VII of the Companies Act, 2013.
- d) Implementation of CSR projects / programmes / activities
- e) Monitoring of CSR projects / programmes / activities
- f) Formulation and recommendation of the annual action plan
- g) The Company shall give preference to the local areas and areas around it where it operates or where its registered office is situated for spending the amount earmarked for CSR activities.
- h) Recommend the annual budgeted expenditure project / programme / activity wise to the Board for its approval in accordance with Section 135 of the Act and CSR Rules.

- i) Recommend to the Board for modification(s) to the CSR Policy as and when required.
- j) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect.
- k) Frame any other rules or procedure as it may deem fit for administering the CSR Policy.
- l) The CSR Committee, in the exercise of its powers, may require any information from the company, and / or seek the assistance of any employee of the Company as it may deem fit to effectively discharge its duties.
- m) Perform all functions as may be delegated by the Board from time to time.

4 Role of Board of Directors

The Board of the Company will be responsible for:

- a) Forming a CSR Committee in accordance with the section 135 of the Act read with CSR Rules.
- b) Reviewing and approving the CSR Policy as recommended by the CSR Committee.
- c) To approve the CSR activities recommended by the CSR Committee for every financial year and ensure that the activities are undertaken by the Company.
- d) To approve the annual action plan recommended by the CSR Committee.
- e) Monitoring the implementation of the CSR Policy through the CSR Committee.
- f) Ensuring that the Company spends amount on the CSR activities as per the provisions of the Companies Act, 2013. In case the Company fails to spend the said amount during any financial year in CSR activities then the Board shall in its report specify the reasons for such failure.
- g) Ensuring that in every financial year, the funds budgeted by the Company for CSR activities are utilized effectively.
- h) Modifying, changing, and varying the CSR Policy and the annual action plan, in its absolute discretion may from time to time, provided that such amendment or alteration shall be in compliance with the applicable clauses of the Companies Act, 2013 and the CSR Rules.
- i) Ensuring that the annual report on the CSR activities containing particulars specified in the annexure of the rules on CSR under the Companies Act, 2013 would be reflected in the Board's Report and the contents of the CSR Policy shall be displayed on the website of the Company.
- j) In case of ongoing project, shall monitor the implementation of the project with reference to the approved timeline and year-wise allocation and shall be competent to make modification, if any, for smooth implementation of the project within the overall permissible time period.

5 Annual Action Plan

The CSR Committee shall 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 and to be undertaken by the company in accordance with the 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.

The Board of Directors are empowered to alter the annual action plan during the financial year, if so recommended by the CSR Committee, based on the reasonable justification for such change.

6 CSR Expenditure

For every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years shall be spent on CSR activities.

Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities.

All the expenditure relating to CSR shall be pre-approved by the CSR Committee. The Chief Financial Officer (CFO) shall monitor the utilization of funds for the purposes set forth and certify to this effect.

Unspent CSR amount, if any, shall be transferred to separate account in accordance with the applicable provisions of the Act and the CSR Rules from time to time.

CSR expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013 (including any statutory modification or amendment thereof).

If the Company spends an amount in excess of the requirements provided under the Act, then the Company may set off such excess amount against the requirement to spend under sub-section 5 of Section 135 for such number of succeeding financial years and in such manner, as may be prescribed under the Act and rules made thereunder.

7 CSR Implementation and Reporting

The CSR Committee shall decide which activity/ project should be given priority for the respective financial year by analysing the basic need of the community / local areas in which the company operates or at the place where its registered office is situated.

After prioritizing the activity the Committee shall finalise the detail implementation of project/programme, including planning for expenses against the total budget allocated for the CSR activities and recommend the same to the Board for its approval.

The Board of the Company may decide to undertake its CSR Activities by itself or through

- (a) a Company established under Section 8 of the Act, a Registered Public Trust or a Registered Society or company established under Section 8 of the Act, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programmes in accordance with the provisions applicable.

8 Need and Impact Assessment

CSR activities undertaken should be in the interest of the society and the local population where the company operates. Before undertaking any project or activities the company may conduct need assessment, if necessary, for the project and its utility in the demography where project is proposed.

After one year of completion of CSR project, the company may consider to conduct impact assessment, if required, of the project so completed and place a report for consideration of the Board.

A summary of impact assessment outcome, if any, shall be disclosed in the Board's Report.

9 Capital Assets

Capital asset acquired or created by CSR projects should be held by the beneficiaries of the said CSR project or a trust or a public authority for the benefits of all. The company should take appropriate measures to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed-off without prior permission of the company.

10 Amendment

The Board of the Company on the recommendation of the CSR committee may amend / modify / revise the CSR Policy of the company at any time.

MSPH & WC Ltd. - CSR

Financial Year 2018-19

Maharashtra Prison Department

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects – **scheme for the prisoners of State of Maharashtra.**

Financial Year 2019-20

State Reserve Police Force (SRPF), Maharashtra State

- Empowerment of Mahila Bachat Gat
- Repairs and Beautification of Natural Lake

MSPH & WC Ltd. - CSR

Financial Year 2020-21

State Reserve Police Force (SRPF), Maharashtra State

- Women Empowerment
- Conservation of Soil and Water

Marathawada Navnirman Lokayat (MANAVLOK)

- Drought Prevention Activities in Kanadi Ghat and Mandavkhel Dist. Beed

Financial Year 2021-22

Maharashtra State Disaster Management Authority

- Disaster Management, including relief, rehabilitation and reconstruction activities

MSPH & WC Ltd. - CSR

Financial Year 2022-23

Maharashtra State Disaster Management Authority

- Disaster Management, including relief, rehabilitation and reconstruction activities

Financial Year 2023-24

Maharashtra State Disaster Management Authority

- Disaster Management, including relief, rehabilitation and reconstruction activities