

MAHARAJA SHREE UMAID MILLS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

FRAMED UNDER SECTION 135(3) (a) OF COMPANIES ACT, 2013

I. INTERPRETATION

For the purposes of this Policy references to the following shall be construed as:

1. “Corporate Social Responsibility” or “CSR” shall mean the activities intended to be taken up as mentioned herein to achieve and further the Company’s vision.
2. “Corporate Social Responsibility Committee” or “CSR Committee” shall mean a Committee consisting of at least three directors. The composition of the Committee will be within the framework of law.
3. “CSR Policy” shall mean the contents herein including any amendments made by the Board of Directors of the Company.
4. “Net Profits” shall mean the net profit before tax of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :-
 - a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - b. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013.
5. “Priority Projects” shall mean such CSR projects which are selected by the CSR Committee to be pursued by the Company.
6. “Total CSR Spend” shall mean 2% of the average Net Profits of the last three financial years in relation to the financial year in question.

II. GUIDING PRINCIPLES

Maharaja Shree Umaid Mills Limited (hereinafter called “the Company”) and its people are committed to the society, ecology and environment. Company also realises that caring for the society, country and the planet is not philanthropy or generosity– it is the very way of doing sustainable business. The Company realises that the Company is not being generous by following the CSR Policy - it is only being relevant and meaningful to the society of which we are a corporate citizen.

Vision: The CSR Committee’s Vision is “changing lives in pursuit of collective development and environmental sustainability”. This vision should encompass all CSR activities of the Company.

Mission: The CSR Committee’s Mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society based on long term social and environmental consequences of the CSR activities. Within the above mission, the CSR Committee will choose Priority Projects from time to time.

The objective of this Policy is not only to guide the Company and its people to indulge in social activities but also to integrate the business processes with social processes. The Company believes that CSR Policy is the Company’s faith in socially inclusive and sustainable business as the way of doing business.

III. GENERAL POLICIES

The Company recognises that good CSR embraces all aspects of sustainable development and the way the Company affects people through its business operations. The Company recognises that CSR is not all about spending – it is orientation of the Company and its people to larger social causes. The Company encourages its people to contribute to its CSR efforts in every possible way.

The policies to be pursued by the CSR Committee are as follows:

General business policies:

1. The Company realises that one of most important parameters for a socially responsible corporate citizen is to carry business in accordance with principles of sustainability, balance and equity. The Company will always strive to align its business interests with those of the society in general, ecology and environment. The Company further encourages any stakeholder or any

member of the public to make thoughtful suggestions, addressed to Chairperson of the CSR Committee, for sustainable business practices.

2. The Company shall strive to enhance corporate value while achieving a stable and long-term growth for the benefit of stakeholders.
3. The Company respects and honours the human rights of people involved in its business and, in particular, does not use or tolerate any form of forced or child labour.

CSR Expenditure

1. CSR spending shall include spending in kind, that is, application of any of the assets or properties of the Company to a CSR project/program. Where any such property or asset is so utilized by the Company, the lower of its fair value or WDV shall be treated as the monetary amount of the spending.
2. Any direct and/or indirect expenses incurred by the Company in accordance to this Policy for projects or programs relating to CSR activities shall construe as CSR Expenditure.
3. The Total CSR Spend for any financial year will be capable of being carried forward as well as carried backward. If, in any financial year, the Company spends more than 2% of its average net profits on CSR expenditure, it shall be permissible for the Company to carry back the target spending of any future year and take the same as having been spent in the year in which the Company spent more than 2% of its average net profits. Likewise, in any financial year in which the Company could not spend 2% of its average net profits, the Company may carry forward such unspent amount with an intent to spend the same in any future year.

CSR Projects:

1. The Company will encourage voluntary efforts of its directors and employees to CSR Projects. The Company also encourages its directors and employees to recommend to the CSR Committee meaningful projects in accordance with the

Guiding Principles that may be taken up by the Company, under the supervision of the CSR Committee.

2. In addition to Projects that may be taken up by the Company directly, the Company may also collaborate with other companies or entities, including its group companies, to carry out any CSR Projects, in accordance with this Policy.
3. The investment in CSR projects shall be project-based with specific timeframes.
4. As far as possible, the Company shall strive to create self-sustainability in its CSR efforts, that is to say, over a long run, a CSR Project should be able to generate sufficient resources, whether by way of profits or by way of a regular flow of contributions, so that it does not have to depend on the Company's contribution on a regular basis.
5. The progress of all CSR Projects, including the spending thereon, shall be periodically reviewed by the CSR Committee.

Manner of selection and execution of CSR Projects:

1. A CSR Project may be selected by the CSR Committee, either based on its own discretion, or based on recommendations by any stakeholder as mentioned above. The CSR Committee will accord priority to projects in the areas covered by Priority Projects.
2. The CSR Committee, after identifying and approving a CSR Project, may fix a target spending, and direct the CSR Cell to carry out the execution thereof.
3. The CSR Committee shall periodically monitor and evaluate the performance of the Projects and the achievement of targets.

Priority Projects

The Company has currently identified the following Priority Projects to be undertaken by the CSR Committee –

- a) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- e) 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 arts and handicrafts;
- f) measures for the benefit of armed forces veterans, war widows and their dependents;
- g) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- h) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- i) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) rural development projects etc.

Notwithstanding the listing of the Priority Projects, the CSR Committee may accept CSR Projects falling within the areas above, at its discretion.

Carrying out of CSR Projects through external agencies

In case the CSR Committee decides to execute a CSR Project through an external agency, such as a trust, society or NGO (“Agency”), it would adhere to the following guiding principles:

1. The Agency must be eligible for carrying the CSR Project, and must have track record in carrying similar project for a period to the satisfaction of the Committee, but not less than 3 years. Subject to the above, any director of the Company may be associated / affiliated as a trustee, governing body member or in any other manner with the Agency, provided that no personal benefit, directly or indirectly, should flow from such Agency to any such director.
2. The Committee shall provide specific Project agenda, targets, target spending, accomplishments, manner of execution etc to the Agency, subject to discussions with the Agency.
3. The disbursement of funds to the Agency must be done on a progressive basis so as to align with the funding needs of the Project, and to permit the evaluation of the activity carried so far.
4. The Agency must provide periodically reports, to the satisfaction of the Committee, about execution of the Project.

CSR Cell

1. The Company, along with pursuing CSR projects at its own, will also constitute a CSR Cell consisting of a specified number of whole time employees of the Company, who, in addition to their regular duties, will come forward to contribute to the Company’s CSR initiatives.
2. The CSR Cell would further be actively involved in implementation of projects in accordance with the Guiding Principles and General Policies as consented by the CSR Committee.
3. The CSR Cell may work singly or in partnership with any eligible trust(s), NGO(s) or other organisation(s) as approved by the CSR Committee.

IV. MONITORING AND EVALUATION

1. The Committee shall seek financial statements and reports from the CSR Cell on each project on a yearly basis.
2. The Committee shall discuss the progress of each project undertaken and make any decision with respect to the project which it thinks fit.
3. At least one member of the Committee shall have financial knowledge and ability to read financial statements.
4. Where, after the adoption of this Policy by the Board of the Company, the Committee requires further funds for undertaking any new CSR project, the Committee shall request the Board of the Company to approve such higher amount.
5. Where there is any surplus lying in the “Expenditure for CSR Account” (which need not be a separate fund, but merely an accounting reserve), the same shall not be considered a part of the business profits of the Company. Such surplus shall be carried forward to the next financial year.
6. Where the CSR Cell has failed to spend the allocated amount or failed to meet the timeline for execution of its projects, the CSR Committee shall furnish to the Board the reasons for the same.
7. The Company will review the Policy from time to time based on changing requirements of the target beneficiaries and make such modification(s), as may be necessary.

Place: Kolkata

Date: 07.08.2014