



McNALLY BHARAT ENGINEERING COMPANY LIMITED CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

This Policy is being framed in accordance with Section 135 of the Companies Act, 2013 (“hereinafter referred to as the “Act”) and Companies (Corporate Responsibility Policy) Rules, 2014 (as amended from time to time) (“hereinafter referred to as CSRRules”).

2. Definitions

2.1 “Corporate Social Responsibility” (“CSR”) activities means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act and the rules, but shall not include the following, namely:

- (i) activities undertaken in pursuance of normal course of business of the company;
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the company on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfillment of any other statutory obligations under any law in force in India

2.2 “CSR Committee” means the Corporate Social Responsibility Committee of the Board constituted under Section 135 of the Act;

2.3 “CSR Policy” means this policy which gives the guiding principles for selection, implementation and monitoring activities as well as formulation of the annual action plan;

2.4“Net Profit” means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- (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;

2.5“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;

3. Policy Statement

The Company’s Corporate Social Responsibility Policy (“CSR policy”) will focus on any one or more of the following CSR activities as enumerated under Schedule VII of the Act read with CSR Rules:

- Eradication of hunger and poverty;
- Promotion of education;
- Promotion of gender equality and empowerment of women;
- Reducing child mortality and improving maternal health;
- Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- Ensuring environmental sustainability;
- Employment enhancing vocational skills;
- Social business projects;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

The activity/list of activities identified by the Company from time to time from the above items shall form part of this CSR Policy. The specific modalities of execution of CSR Project /Program and its Implementation Schedule shall be developed by the Committee for recommending to the Board of Directors.

4. CSR Committee

The composition of the CSR Committee is as under:

Mr. Asim Kumar Barman	–	Independent Director and Chairman, Audit Committee
Mr. Srinivash Singh	–	Managing Director
Ms. Arundhuti Dhar	–	Independent Director

5. CSR Implementation

- 5.1** CSR projects will be over and above the normal course of the Company's business and will be implemented by the Company itself or through external implementing agencies/specialized NGOs registered under the Act, jointly with the Company.
- 5.2** The Company may also collaborate with other companies within the group 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 CSR Rules.
- 5.3** The CSR Committee shall formulate and recommend to the Board, an annual action plan in accordance with 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 and the policy statement as specified in clause 3 above;
 - (b) the manner of execution of such 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.
- 5.4** The Board of Directors may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- 5.5** In case of ongoing project, the Board of Directors shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within

the overall permissible time period.

- 5.6** The Board of Directors 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 or the person responsible for financial management shall certify to the effect.

6. Treatment of Surplus

It is specifically stated here that surplus, if any, arising out of CSR projects or programs or activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a fund specified in Schedule VII, within a period of 6 (six) months of the expiry of the financial year.

7. Monitoring and Reporting

- 7.1** The Company will monitor the process for implementation of the CSR projects and periodic reporting to the CSR Committee/Board.
- 7.2** The Annual Report on CSR activities in any Financial Year in the prescribed form, *Annexure II* under the CSR rules will be included as part of the Board Report.

8. Involvement

The Company expects participation of its employees in the CSR projects it undertakes. The projects will be taken up in areas where the Company has its operating business. The projects are expected to create a strong bond between the community and the local set up where the Company runs its business. The Company would be actively involved in skill enhancement of engineers and other professionals in Engineering, Construction & Procurement (“EPC”) business and opportunities could be provided to the deserving ones for employment in the Company.

9. Number of Meetings

The CSR Committee will strive to meet at least twice a year to review progress in the chosen activity and will report to the Board annually.

10. Public Information

The Company’s involvement in CSR project(s) and details of work executed

and progress made will be communicated as and when it takes place to the stakeholders by placing the contents on its website www.mcnallybharat.com, Annual Report of the Company, in-house journals and media.

11. Review of the Policy

This Policy shall be reviewed and amended periodically to ensure it meets therequirements of the legislation and the needs of the Organization.

12. All the Words and expressions used in this Policy, unless defined hereinafter, shall have the meaning respectively assigned to them under the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued there under, as amended from time to time.

Asim Kumar Barman
Chairperson, CSR Committee

Aditya Khaitan
Chairman

Dated 15th March 2022

Amendments/Revisions

- 1. The Corporate Social Responsibility Policy of the Company was framed in the year 2014 in accordance with the provisions of Companies Act 2013 which was made effective from 1st April 2014, under which Corporate Social Responsibility was introduced for the first time.*
- 2. The Policy was revised in the year 2021 to incorporate major amendments made by the Companies (Corporate Responsibility Policy) (Amendment) Rules, 2021.*