



Believe in tea

McLEOD RUSSEL INDIA LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

BACKGROUND

India has seen a period of sustained economic growth during the last ten years. The Country however still continues to face major challenges like poverty, illiteracy, malnutrition, health hazards, gender bias, environmental problems etc. These have resulted in a large section of the population remaining as 'un-included' from the mainstream. It is necessary to address these challenges through sustainable efforts, both by Government and Private Sector Organizations. The Indian Business has traditionally been socially responsible. While a lot of human and economic resources are available for utilization in the corporate world; a suitable mechanism is necessary to channelize these resources for socio-economic development. Keeping this in mind, The Ministry of Corporate Affairs had come out with a voluntary CSR Guidelines in 2009. The Companies Act, 2013 ('The Act') has made it mandatory for certain class of Companies to adopt a Corporate Social Responsibility Policy and spend every year an amount prescribed in the Act, towards discharging its obligations towards the Society in terms of the CSR Policy adopted by it.

McLeod Russel India Limited (MRIL) is conscious of its social responsibilities and the environment in which it operates. The Company has, over the years, successfully formulated a methodology for development in the field of health, education, culture and other welfare measures to improve the general standards of living in and around its Tea Estates with special emphasis on the environment which surround the units of the Company and thereby enriching the Society.

SHORT TITLE & APPLICABILITY

This Policy may be termed as 'MRIL CSR Policy'. The Policy shall apply to all CSR initiatives and activities at various work-centres and locations of MRIL. The Policy has been framed in line with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder.

CSR MISSION STATEMENT

As a responsible corporate citizen, McLeod Russel is committed to enhance the quality of life, wellness and well being of the people around its various work-centres and locations and also committed to safeguarding the environment by adopting an eco-friendly, transparent and participatory approach in all activities with a view to maintain ecological balance.

OBJECTIVE

The main objective of the MRIL CSR Policy is to establish and lay down the basic principles and the general framework of action for MRIL to undertake and fulfill its corporate social responsibility. The Policy will function as a built-in, self regulating mechanism whereby the Company will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The MRIL Corporate Social Responsibility Committee shall consist of three or more Directors amongst which one shall be an Independent Director.

The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy of MRIL.

The CSR Committee shall:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by MRIL as specified in Schedule VII of the Companies Act 2013;
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- (c) Monitor the Corporate Social Responsibility Policy of MRIL from time to time.
- (d) Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of MRIL.

CSR ACTIVITIES

MRIL's CSR activities shall primarily include one or more of the items covered under Schedule VII of the Act with special focus on the following:

- (1) Promoting preventive healthcare and sanitation and making available safe drinking water and other activities contained in Schedule VII (i). The Company may be involved in these activities by way of adoption of one or more villages around its Tea Estates for overall development and livelihood enhancement.
- (2) Promoting education and other education related activities and livelihood enhancement projects covered under Schedule VII (ii).
- (3) Activities relating to environmental sustainability, ecological balance and other activities contained in Schedule VII (iv).
- (4) Protection of national heritage, art and culture as contained in Schedule VII (v).
- (5) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports, covered under Schedule VII (vii).

(6) Contribution to various funds contained under Schedule VII.

Preference shall be given to MRIL business area and areas around MRIL Tea Estates for spending the amount earmarked for CSR.

The Board of Directors shall ensure that MRIL spends at least 2% of the average net profits of MRIL made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

Apart from the CSR projects/programmes taken up by the Company itself, the Board of Directors may decide to undertake its CSR activities recommended by the CSR Committee, through a registered Trust or a registered society or a company established by MRIL under section 8 of the Act. – Provided that -

- If such trust, society or company is not established by MRIL or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- MRIL shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

MRIL may also collaborate with other Companies for undertaking projects or programs for CSR activities in such a manner that the Committees of the respective Companies are in a position to report separately on such projects or programs.

MRIL may build CSR capacities of their own personnel as well as of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed 5 (five) percentage of the total CSR expenditure of MRIL in a financial year.

CSR EXPENDITURE

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, MRIL will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down as above.

CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity with the CSR Policy.

EXCLUSIONS

The CSR activities shall be undertaken by MRIL, (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

Any Contribution of any amount directly or indirectly to any political party under section 182 of the Act, by MRIL shall not be considered as CSR activity.

The CSR projects or programs or activities that benefit only the employees of MRIL and their families shall not be considered as CSR activities in accordance with section 135 of the Act. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of MRIL.

IMPLEMENTATION

CSR programs will be undertaken by various work centres/locations of MRIL to the best possible extent within the defined ambit of the identified Project/ Program.

The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

By and large, it may be ensured that the CSR programs shall be executed in and around the areas adjoining Company's workplace and plantations/factories/ Project sites/ work centres.

POWERS FOR APPROVAL

CSR programs as may be identified by each work centre/corporate office will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.

MONITORING AND FEEDBACK

To ensure effective implementation of the CSR programs undertaken at each work centre, a monitoring mechanism will be put in place by the work centre head. The progress of CSR programs under implementation at work centre will be reported to corporate office on a monthly/quarterly basis.

The CSR Committee at the corporate office may conduct *impact studies* on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programs.

Work centres and locations will also try to obtain feedback from beneficiaries about the programs.

Appropriate documentation of MRIL's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.

CSR initiatives of MRIL will be reported in the Annual Report of MRIL & the Board's Report in compliance with Section 135 and rules made thereunder.

GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

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.

MRIL reserves the right to modify, add, or amend any of these Policy Rules/Guidelines.

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