

# **MRF LIMITED**

## **Corporate Social Responsibility Policy**

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## **A. OBJECTIVE**

1. This policy has been prepared pursuant to and in accordance with the requirements of Section 135 of the Companies Act, 2013 (hereinafter called as “the Act” ) and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs vide Notification dated 27th February, 2014 (“CSR Rules”), as amended from time to time.
2. The main objective of the Policy is to lay down the general framework of action for MRF to fulfil its Corporate Social Responsibility (“CSR”) and in particular to specify the activities and programmes to be undertaken and also specify the modalities of execution and implementation and monitoring process of such programmes.
3. This policy shall apply to all CSR initiatives and activities taken up across the Company including those at factories and various other work-centres of the Company, for the benefit of different segments of the society.

## **B. PROGRAMMES & PROJECTS**

1. MRF shall undertake projects in any one or more of the following focus areas:
  - a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of 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, agroforestry, 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.
  - 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 recognized 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. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
  - j. Rural development projects.
  - k. Slum area development.
2. Within the focus areas mentioned in sub-clause 1 above, specific new projects may be approved by the Corporate Social Responsibility Committee ('CSR Committee'), as deemed appropriate.
  3. While undertaking CSR projects, preference shall be given to the local area or area of operation of the Company.
  4. The CSR project shall not be any activity which is undertaken in pursuance of its normal course of business. The CSR projects or programs or activities that benefit only the employees of MRF 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 MRF.
  5. The CSR project shall comply with any other stipulation or restriction as provided under the CSR Rules or any clarification or circular issued by the Ministry of Corporate Affairs, from time to time.

### **C. MODALITY OF EXECUTION & IMPLEMENTATION**

1. Each project may be executed in any of the following modes:
  - a. Either directly by MRF
  - b. Through registered trust or Society or a Section 8 Company established by MRF
  - c. Any trust, society or Company, which is not established by MRF, having an established track record of three years in undertaking similar programs or projects, subject to the requirements specified in the CSR Rules
  - d. As a consortium with other Companies
2. While approving each specific project, the CSR Committee will prescribe the time period for implementation, mechanism for ensuring the end use of the funds and also appropriate reporting.
3. All proposals for a CSR project should be submitted to the Company Secretary who in turn will place it before the CSR Committee for necessary consideration and approval.

**D. CSR BUDGET**

1. The Annual CSR Budget shall be reviewed and recommended by the CSR Committee for each of the focus areas.
2. CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure. The surplus, if any, arising out of any CSR project or program or activity shall not form part of the business profits of the Company.

**E. MONITORING AND REPORTING**

1. A report on progress of the CSR projects undertaken by the Company will be submitted to the CSR Committee with full details of cost incurred, date of completion and results achieved on a regular basis.
2. In order to ensure proper end use of the funds, officials may be deputed to personally inspect / verify the execution of the project / expenditure incurred.
3. A summarised report on implementation of the approved projects should be placed at least once in six months before the Committee.
4. CSR initiatives of the Company will be reported in the Annual Report of the Company in compliance with Section 135 of the Companies Act, 2013 and rules made thereunder.

**F. AUTHORITY & AMENDMENTS**

This Policy has been approved by the Board of Directors of the Company based on the recommendations of the CSR Committee. This policy may be amended from time to time by the Board, as it deems appropriate.

**G. EFFECTIVE DATE**

This policy will come into force with effect from 30<sup>th</sup> October, 2014.