



**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**  
**OF**  
**MUNJAL KIRIU INDUSTRIES PVT. LTD.**

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## **1. INTRODUCTION**

The Concept of Corporate Social Responsibility (“CSR”) has become a vital element of the modern world. The contemporary views of the Corporate Sector suggests it believes that efforts of Govt. alone are not enough to get success in its endeavour to uplift the down trodden Society and hence there it has catapulted its contribution towards the society considering the same its responsibility. Moreover, the Govt. realizing the above fact, has introduced and enforced legislations, which provide for obligations of Corporate Sector in the areas of CSR. With the rapidly changing corporate and regulatory environment, advent of more functional autonomy, operational freedom etc., the Company has adopted CSR as a strategic tool for sustainable growth. For the Company in the present context, CSR means not only investment of funds for social activities, but also integration of Business Processes with Social Processes.

## **2. MKI'S PHILOSOPHY**

Munjali Kiri Industries Private Limited having registered office at 603, International Trade Tower, Nehru Place, New Delhi-110019 (‘hereinafter termed as ‘MKI or the Company’) was incorporated in 2007. MKI, in conjunction with the objects for which it has been incorporated and is operating, aims to enrich the society and drive sustainable economic growth. MKI strives for the betterment of the society in all spheres as it believes that along with sustained economic performance, environment and social stewardship is also a key factor for holistic business growth.

The Company’s business has profound impact on the people living in and around the areas where the Company is established. The obvious impact of the introduction of any commercial activity in an area changes the traditional lifestyle of the original inhabitants and indigenous communities and also change the socio-economic profile of the area. Hence, primary beneficiaries of the Company’s CSR initiatives should be those staying in the vicinity of the Company. Poor, needy and illiterate section of the society living in different parts of India should be second beneficiaries.

## **3. OBJECTIVES**

The main objective of MKI’s CSR Policy is to lay down guidelines for the Company to make CSR its key business process for sustainable development for the society where the Company operates and to comply with the provisions of the Companies Act, 2013, read with rules made there under. It aims at supplementing the role of Government in enhancing welfare measures of the society based on immediate and long term social and environmental consequences of the Company’s activities.

## **4. SCOPE**

The Company proposes to implement its CSR activities in the following areas:

1. Eradicating hunger, poverty, malnutrition
2. promoting education;



3. promoting gender equality and empowerment of women;
4. ensuring environment sustainability;
5. contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government.
6. rural development projects;
7. slum area development
8. Any other activities as may be prescribed in Schedule VII of the Companies Act 2013 as amended from time to time.

CSR Activities shall not include:-

- The activities undertaken in pursuance of normal course of business of a Company;
- CSR Projects/programs or activities that benefit only employees of the Company and their families;
- Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes;
- Any CSR Projects/programs or activities undertaken outside India.

## **5. RESPONSIBILITY OF THE BOARD OF DIRECTORS**

The Board is responsible for:

Approving the CSR Policy as formulated by CSR Committee, subject to necessary changes/modifications as the Board may deem fit.

- (i) Ensuring that in each financial year, the Company spends at least 2% of the average net profits in accordance with the provisions of the section 134 of the act and the rules notified there under.
- (ii) Ensuring that every financial year funds committed by the company for CSR activities are utilized effectively.
- (iii) Disclosing in its Annual report the name of CSR committee members, the consent of the CSR policy and ensure annual reporting of its CSR activities on the Company website any other acts, deeds and things as may be required under law from time to time.

Overall governance of CSR and approving of the CSR Policy will be responsibility of the CSR Committee of the Board. The CSR Committee of MKI will be responsible for administering and executing the policy. As MKI's CSR activities evolve further, the policy may be revised with approval of the Board after talking into recommendations of the CSR Committee.



## 6. COMPOSITION OF CSR COMMITTEE

Pursuant to the provisions of Section 135 of Companies Act, 2013, the Board of Directors of MKI constituted a CSR Committee vide its Board Resolution dated 13<sup>th</sup> May 2016.

In furtherance of change in directorship of the Company, CSR Committee was reconstituted on 20<sup>th</sup> September 2017.

Pursuant to further change in directorship of the Company w.e.f. 01/04/2019 duly approved in the Board meeting and shareholder meeting held on 22<sup>nd</sup> March 2019, reconstitution of CSR Committee was also approved in the aforesaid board meeting effective from 01/04/2019. Following are the members of the committee after reconstitution:

S. No	Name of Director	Designation	Position held in Committee
1	Mr. Pankaj Munjal	Director & Chairman	Chairman
2	Mr. Kannan Saravanan	Managing Director	Member*
3	Mr. Tarun Vohra	Nominee Director	Member

**\*Note: Mr. Kannan Saravanan, Managing Director has been appointed as a Member of CSR Committee w.e.f. 01/04/2019 in place of Mr. Eiichi Tanimura vide resolution dated 22<sup>nd</sup> March 2019 passed by the Board of Directors of Munjal Kiriu Industries Pvt. Ltd.**

## 7. FUNCTIONS OF THE COMMITTEE

The functions of the CSR Committee include:

- Recommend CSR Activities as stated under Schedule VII of the Companies Act, 2013;
- Recommend CSR Budget;
- Obtain the status of spending made out of allocated CSR amount on CSR activities by the Board of Directors of the Company in accordance with the Act and the CSR Rules;
- Monitoring CSR Policy & activities from time to time;
- Create transparent monitoring mechanism for implementation of CSR activities undertaken by the Company;
- Submit the reports to the Board in respect of the CSR activities undertaken by the Company;
- Authorize officials of the Company to attend the CSR Committee Meetings.

## 8. CSR EXPENDITURE

The provisions of the Companies Act, 2013 read with rules made thereunder, mandate companies meeting the qualification criteria to allocate certain portion of its annual net profits during the three immediately preceding financial years to be spent on CSR activities shall fall under the purview of Schedule VII of the Companies Act 2013.



The CSR expenditure shall be recommended by the CSR Committee and subsequently to be approved by the Board of Directors. In case Company fails to spend the projected amount on CSR Activities, the committee shall obtain from the Board of Directors of the Company, the reasons of such failure and record the same in its meeting.

#### **9. MODE OF IMPLEMENTATION OF CSR ACTIVITIES**

The CSR activities would be implemented on a project mode with objectively verifiable indicators and continuous engagements with defined monitoring and reporting mechanism.

The CSR activities shall be executed through any one of the following modes:

1. Directly by the Company as referred in Rule 4(1) of the Companies CSR Rules, 2014.
2. Through a registered trust or society.
3. Contribution to corpus of a trust / society / company with charitable objects created exclusively for a purpose directly relatable to a subject covered in schedule VII of the Act.
4. Through an other NGO, Civil Society Organization, Voluntary agencies, missions, professional consultancy organizations, trusts etc. provided it qualifies and meets the track record

#### **10. REFLECTION OF CSR ACTIVITIES**

Annual audit of all the activities undertaken by the Company would be done by the Company's auditor, which would form a part of Statutory Audit. The Annual Report of the Company shall include a section on CSR outlining the CSR Policy, CSR Committee, CSR initiatives undertaken by the Company, the CSR spend during the financial year and any other information as required by the prevailing law.

#### **10A. SURPLUS OF PROJECTS**

The Surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of a company.

#### **11. PUBLICATION OF THE CSR POLICY**

As per the CSR Rules, the contents of the CSR policy shall be included in the Director's Report and the same shall be displayed on the Company's website.

#### **12. POLICY REVIEW AND FUTURE AMENDMENT**

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the guidelines issued by the Govt. from time to time in respect to the Act and the CSR Rules.

The Committee shall annually review its CSR policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.



**13. EFFECTIVE DATE**

This policy is effective from 13<sup>th</sup> May 2016.

**14. CONTACT**

For queries relating to the CSR policy, please write us at [rbabbar@munjalkiriu.co.in](mailto:rbabbar@munjalkiriu.co.in)

**Approved By**

**Approved By**

**Managing Director**

**Chief Financial Officer**