



**MEGHA ENGINEERING &  
INFRASTRUCTURES LIMITED  
(MEIL)**

CIN- U45202TG2006PLC050271

-

**CORPORATE SOCIAL  
RESPONSIBILITY POLICY  
(CSR POLICY)**

## CONTENTS

Sl.no	Description
1	<b>Preamble</b> 1.1. Definitions 1.2. CSR Concept & Applicability 1.3. Statutory Provisions – CSR
2	<b>CSR Vision and Goals</b> 2.1 CSR Objectives 2.2 CSR Thrust areas
3.	<b>Implementation Methodology:</b> 3.1 CSR governance structure: 3.2 Roles & Responsibilities
4	<b>Resources</b>
5	<b>Modalities of CSR implementation</b>
6	<b>Geographical Outreach</b>
7	<b>Periodic Monitoring &amp; Reporting</b>
8	<b>Annual Review</b>
9	<b>Management Commitment</b>
10	<b>General</b>

## 1.1 DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

- a. "This Policy" or "Policies" "This Policy" or "Policies" refers to the "Corporate Social Responsibility Policy."
- b. MEIL/ MEIL Group of Companies or Company(s) refers to MEIL and it's Group Companies including Subsidiaries, Subsidiaries of the Company's Subsidiary Company (i.e Step- down Subsidiaries), Associate Companies which are required to have a CSR Policy as per the provisions of Companies Act, 2013 read with rules made thereunder.
- c. CSR Committee refers to the CSR Committee of Directors constituted by the Board of Directors of the respective MEIL/ MEIL Group of Companies in accordance with provisions of Section 135 of the Companies Act, 2013.

## 1.2 PREAMBLE

### **The CSR Concept & Applicability**

The term "Corporate Social Responsibility" came into common use in the late 1960s and early 1970s after many multinational corporations formed the term stakeholder, meaning those on whom an organization's activities have an impact. It was used to describe corporate owners beyond shareholders as a result of an influential book by R. Edward Freeman, Strategic management: a stakeholder approach in 1984.

Corporate Social Responsibility (CSR) is a concept whereby companies not only consider their profitability and growth, but also the interest of society and the environment by taking responsibility for the impact of their activities on stakeholders, environment, employees, communities and all other members of the public sphere.

Corporate responsibility towards the stakeholders is fast emerging as one of the major considerations for businesses in the country. Organizations are gradually shifting their attention towards a wider view of social concerns while conducting their businesses. Corporate Social Responsibility (CSR) aims at connecting business to the society, wherein the business chooses areas of engagement with the local communities and people at large. The broader objective of CSR is to contribute with a responsibility, towards a better society and a cleaner environment.

Since corporate social responsibility and sustainability are so closely entwined, it can be said that corporate social responsibility and sustainability is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

MEIL is committed to equip the country with an engineering and infrastructure that can hold up its pillars for generations to come with a vision:-

*“to provide a superior quality of life to the Common man by continuous improvement of core infrastructure.”*

While this Policy document defines the CSR Vision of MEIL, its structure and method of implementation, the Board of Directors of Megha Engineering & Infrastructures Limited (“Company”) constituted the "Corporate Social Responsibility Committee". This Corporate Social Responsibility policy has been prepared pursuant to the provisions of Section 135(3)(a) of the Companies Act, 2013 (‘Act’) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (‘CSR Rules’) as amended from time to time. The Policy is in compliance with Section 135 of the Act and the CSR Rules. Due considerations were also given to Schedule VII of the Act while identifying the focus areas of CSR programs.

### **1.3. STATUTORY PROVISIONS – CSR**

As per the provisions of Section 135 of the Act every company registered in India, which meets any of the below mentioned financial strength criteria is obliged to constitute the CSR Committee and spend 2% of average net profits of last 3 Financial years on specified CSR activities

- Net worth  $\geq$  INR 5 Billion OR
- Turnover  $\geq$  INR 10 Billion OR
- Net profit  $\geq$  INR 50 Million

The CSR Provisions are applicable to MEIL and it shall abide by it.

In case the amount to be spent by MEIL at any point of time does not exceed INR 5 Million, the requirement for constitution of the CSR Committee shall not be applicable and the functions of the CSR Committee shall be discharged by the Board of the MEIL.

## **2. CSR VISION & GOALS**

### **2.1. CSR Objectives**

MEIL is committed to the society with ultimate motto of transforming lives through building a better nation by its engineering excellence. We visualize the Social responsibility in true spirit beyond compliance while making social thinking to be part and parcel of business existence.

The Company will not undertake the following activities:

1. Activities undertaken in pursuance of normal business of the company.
2. Activities undertaken outside India, except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

3. Contribution of any amount, directly or indirectly, to any political party under section 182 of the Act;
4. Activities benefiting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
5. Sponsorship activities for deriving marketing benefits for products/ services;
6. Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

## 2.2 MEIL CSR Thrust Areas

In line with the CSR Vision and Goals, the Company designs all its CSR interventions, emphasizing on *‘Eradicating hunger, poverty and malnutrition, Elimination of Poverty’, ‘promoting health care including preventive health care, ‘promoting education’* and *‘capacity building’* of the underserved and marginalized along with other CSR activities and these are inclusive but not exhaustive areas.

### **MEIL CSR focus areas are divided into the following sections:**

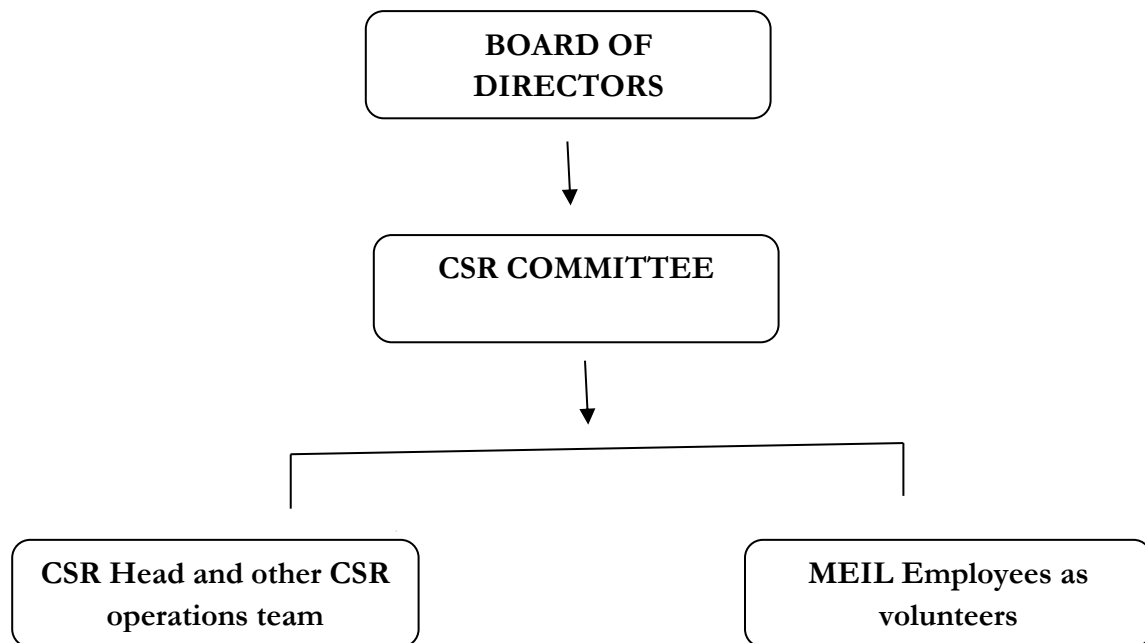
1. To provide free food at hospitals to the patients, attendants, related persons and to provide support to other organizations for providing free food at hospitals,
2. To promote hospitals, nursing homes, healthcare services for treating any ailment, illness, disability, disorder or diseases.
3. To provide free shelter, free medicines to the persons diseased and artificial Limbs, aids and such other appliances for orthopedically handicapped, physically challenged and such other needy persons.
4. To promote and provide the employment generation opportunities for the quality and betterment of life
5. To provide formal, informal and vocational education services for people of all age groups, to enhance their livelihood opportunities and to enhance their participation in civil society for the welfare of all people and to also support activities that contribute to development, capacity building, awareness, knowledge dissemination and research in this area.
6. To provide support to other organizations for conservation of natural resources, waste management and promotion of energy efficient devices and green and renewable sources of energy and to also support activities that contribute to development, capacity building, awareness, knowledge dissemination.
7. To support health care, preventive health care mechanisms.
8. To undertake village development activities like laying of roads, providing lighting facilities, drinking water and sanitation facilities etc.,
9. To undertake swachh bharath programmes.
10. To undertake rural development programmes by adopting villages or any other mode.

11. To undertake any of the activity as mentioned in Schedule VII of Companies Act, 2013 including any statutory modifications or re-enactment thereof, for the time being in force.

MEIL aims to continue its work in the above mentioned areas and scale up further for better reach, deeper engagement and impact.

### **3. IMPLEMENTATION METHODOLOGY:**

#### **3.1.CSR GOVERNANCE STRUCTURE:**



#### **3.2. ROLES AND RESPONSIBILITIES:**

##### **Board and the CFO:**

- Ensuring that the CSR Activities included by each Company in its CSR Policy are related to the activities included in Schedule VII of the Companies Act 2013.
- Board shall ensure that CSR activities are undertaken through entities which have registered with the Central Government and are having a unique registration number with effect from 01st April 2021.
- Approving the CSR policy as recommended by the CSR Committee.
- Ensuring that in each financial year, the Company spends the approved budget in compliance with the Act and the CSR Rules.
- Ensuring that every financial year, funds committed by the Company for CSR activities are utilized effectively and monitored as per a structured process.
- Ensure to set off the excess amount spent up to immediate succeeding three financial years.

- Alter the annual action plan on CSR at any time during the financial year as per the recommendation of the CSR Committee based on reasonable justification.
- In case of ongoing project, the Board 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.
- Ensure that the administrative overheads does not exceed 5% of total CSR expenditure of the Company for the financial year.
- Review of the report on impact assessment incase the impact assessment of the CSR projects is undertaken subject to satisfaction of the conditions mentioned in the CSR Rules.
- Disclose the composition of the CSR Committee and CSR Policy and Projects approved by the Board on the website.
- Chief Financial Officer or the person responsible for financial management shall certify that the the funds so disbursed have been utilised for the purposes and in the manner as approved by the Board.

### **Corporate Social Responsibility Committee:**

The Members of the CSR Committee shall be appointed by the Board of Directors of the Company from time to time in compliance with Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

The Committee will have the responsibility of formulating CSR Policy to be approved by the Board, recommend CSR Programmes and allocate budgets, and monitor the implementation and expenditure of funds. The Committee shall prepare Annual Report of the CSR Programmes, stating clearly the results of social audit and the resultant social impact if required. Gaps in implementation of the planned CSR Programmes will be reported with necessary corrective actions. The Committees are authorised to take professional support from individuals or organisations having expertise in related fields.

### ***CSR committee-Composition- Roles &Responsibilities:***

- This Committee shall take directions from the Board of Directors.
- CSR Committee shall be a committee formed and formulated by the Board, through a Board Resolution.
- The Committee shall have power at any time and from time to time, to appoint a person as a member of the Committee or appoint for any other purpose in regard to execution of the CSR objectives/activities of the Company.

- Any member of the CSR Committee may resign from the CSR Committee by tendering his/her resignation to the CSR Committee and any such resignation shall be approved by the CSR Committee.
- Any member of the CSR Committee shall automatically cease to be a part of the CSR Committee, as and when he/she terminates with the Company.
- The CSR Committee may exercise the powers conferred by the Board, in line with the objectives of the Company.
- The CSR Committee shall have power to form various sub-committees, working groups, volunteer associations, by whatever name called, for implementing the CSR initiatives. Such working groups, volunteer associations or the sub-committees formed may be entrusted with specific powers, activities, program chart and other incidental or ancillary details, support which may be required for successful implementation of the project/CSR initiative.
- The CSR Committee shall be authorized to monitor, make plans, budgets, accept proposals, and initiate CSR activities for the Company.
- The CSR Committee shall be authorized to any such act or activity which has a direct or indirect relation with the CSR objectives and activities of the Company.
- Recommending & Reviewing the CSR policy in compliance with Section 135 of the Companies Act 2013.
- Identifying and recommending CSR activities and budget to the Board for approvals.
- Formulate and recommend to the Board an annual action plan in pursuant of CSR Policy, which shall include the following:
  - (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;
  - (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the CSR Rules;
  - (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:

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.
- The Committee will coordinate with MEIL Foundation or such other agency for implementing programs and executing initiatives as per CSR policy and shall review the performance of activities under taken by the Company through MEIL Foundation or such other agency periodically.

**CSR Head and other CSR operations team:**

CSR Committee appoints the CSR Head and other operations team from time to time to perform such functions as directed by the CSR Committee.



***The roles of CSR Head and Operation in brief are as under:***

- Implementation of CSR Policy.
- Ensure structured Planning and effective delivery of CSR interventions.
- Ascertain financial management and transparency in project funds.
- Set up effective and structured evaluation and monitoring mechanism for CSR projects and interventions.
- Document & periodically report to the CSR Committee and other internal and external stakeholders.
- Organizing the training programmes for CSR Staff.
- Any other activity necessary to ensure achievement of MEIL's CSR vision.

**MEIL Employees as volunteers:**

Every MEIL employee shall be permitted to act as volunteer for implementation of CSR activities of MEIL which are adhering to the approved policy which is ultimately boost up the employees morale and esteem.

**4. RESOURCES**

1. For achieving its CSR objectives, the Company would allocate adequate CSR funds, with the approval of the Board.
2. The surplus arising out of the CSR Projects or programmes 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 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 of the Act within a period of six months of the expiry of the financial year.
3. In case MEIL spends an amount in excess of requirement provided under the Act, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
  - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
  - (ii) the Board of the company shall pass a resolution to that effect.

## **5. MODALITIES OF CSR IMPLEMENTATION**

MEIL may have three different avenues of carrying out its CSR activities which is as mentioned below:

1. Doing it ourselves (MEIL volunteers do it)
2. Through MEIL Foundation, Subsidiary company to MEIL incorporated under Section 25 of Companies Act, 1956.
3. Through any other Registered Trust or Registered Society or a Company established by the Company or its holding or subsidiary or associate Company under section 8 of the Companies Act 2013 or otherwise.

MEIL shall ensure to undertake the CSR activities through entities which have registered with the Central Government and are having a unique registration number with effect from 01<sup>st</sup> April 2021.

Further, the CSR policy of M/s Megha Engineering & Infrastructures Limited will be applicable to all its subsidiary and associates companies incorporated under Companies Act, 1956 and Companies Act, 2013 as and when any of the subsidiary and associates falls under the ambit of the section 135 of the Companies Act, 2013. The subsidiaries and associate companies will adopt the CSR policy of the Holding/ Ultimate Holding Company i.e Megha Engineering & Infrastructures Limited.

## **6. GEOGRAPHICAL OUTREACH**

The primary objective of MEIL's Corporate Social Responsibility Framework is to achieve positive social outcomes in the regions of its operations. This would enable MEIL to closely follow up and monitor the implementation whilst engaging with immediate communities.

MEIL shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

## **7. PERIODIC MONITORING & REPORTING**

To ensure effective implementation of the MEIL CSR interventions, a structured monitoring mechanism will be put in place by the CSR Team and governed by the CSR Committees.

1. In order to closely monitor and manage the field action projects, the CSR team at the Corporate Office will conduct *periodic field visits, impact studies* on an annual basis especially on the strategic and high value programmes.
2. Appropriate documentation of the CSR Policy, annual CSR activities and expenditure entailed will be undertaken on a regular basis and the same will be reported to the CSR Committee.
3. The Board Report of the Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

4. If the Company fails to spend the minimum amount of funds, as prescribed under the Act in a financial year, then adequate reasons should also be provided in the Board's report and unless the unspent amount relates to any ongoing project transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. The unspent amount relating to any ongoing project shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
1. In case the Company is having average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
2. The Composition of the CSR Committee, CSR policy recommended by the CSR Committee and approved by the Board and the projects approved by the Board shall be displayed on the Company's website.

## **8. ANNUAL REVIEW**

The CSR Team will prepare a Quarterly report of all CSR projects and/or interventions, with or without external support. Such reports will be presented to the CSR Committee on or before a date prescribed by the Committee.

## **9. MANAGEMENT COMMITMENT**

Our Company humbly subscribes to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy

## **10. 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 CSR Committee will be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment as may be issued from Government/Statutory regulations from time to time.

MEIL reserves the right to modify, delete and add any provisions in the policy.

**In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.**

\*\*\*