

MALABAR CEMENTS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

- ✓ Reducing Carbon footprint
- ✓ Engaging in charity work
- ✓ Purchasing fair trade products
- ✓ Investing in environmentally conscious businesses
- ✓ Getting involved in volunteer work
- ✓ Improving labour policies



1. Preamble

Corporate Social Responsibility is a voluntary concept that consists of environmental and social issues with the aim to improve community well-being, respect human rights and to preserve the environment. CSR is also closely linked to the concept of Sustainable Development. The objectives of business should be of three fold, namely profit, people and planet. Business must sub serve the economic, social and the environmental concerns in its growth strategy. This CSR policy will form as a master guide to the implementation of social responsibility measures of Malabar Cements Limited. The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, promoting greater transparency and disclosure to the CSR activities of the Company. Further the Companies (CSR Policy) Rules, 2014 lays down the framework and modalities of carrying out CSR activities, which are specified in, schedule VII of the act.

2. CSR Outlook

Malabar Cements Limited is one of the prestigious organizations of the Government of Kerala in Palakkad District. This Company incorporated in the year 1978 is the only integrated grey cement manufacturing plant in Kerala with its captive Limestone mine at Walayar. MCL is a healthy Company, with sound financial base. Company started earning Net profit continuously from the year 1991-92 onwards. Even before the introduction of Company Act 2013, MCL utilized a share of its profit for CSR activities. Many social welfare projects in this regard were implemented from 2012 onwards. In association with Kerala State Security Mission many CSR continuing schemes are implemented.

Social and environmental responsibility has always being at the forefront of MCL's operating philosophy. The primary target area of CSR activities of MCL has been the surrounding area of Palakkad.

3. Objective

The main objective of MCL's CSR Policy is to lay down guidelines for the community centric activities taken up by the Company for the sustainable development of the society and the environment around it.

In line with the vision of the Company the CSR initiatives will strive to enhance values to the society and environment. The Company will directly or indirectly take up projects within the State as per the laid out guidelines.

4. CSR Focus Areas

The CSR policy of MCL recognizes that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

1. Eradicating hunger, poverty and malnutrition
2. Promoting health care, including preventive health care and sanitation
3. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
4. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
5. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
6. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
7. Rural development projects.
8. Slum area development
9. Assistance to projects undertaken by State Government in connection with Kerala Social Security Mission.

5. Implementation of CSR Activities

The Company may undertake the CSR activities directly on its own or by contributing to external agencies like an established registered charitable Trust with long standing reputation or partly on its own and partly through such Trusts as may be recommended by the CSR Committee and approved by the Board.

Where contributions are made to an external Trust, MCL shall obtain a Fund Utilisation Certificate and submitted to the CSR Committee.

6. CSR Committee

6.1 CSR Committee Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors of MCL in the 191st Board Meeting conducted on 09th August 2012 decided to constitute a Corporate Social Responsibility Fund and to earmark an amount equivalent to 5% of the net profit. Support can be given to Relief schemes by the Government calling for assistance from corporate bodies (To social/economic development, health/

education of weaker sections, calamities etc.) and to institutions set up by the Govt./NGOs, based on the recommendation of a committee consisting of MD, Head of Departments and President/Secretary of recognized Trade Unions after getting a report from the District Collector. The Board of Directors also resolved that the individuals and NGOs approaching MCL for urgent humanitarian support can be given upto Rs.10,000/- based on the decision of the Committee.

6.2 CSR Sub-Committee of the Board

CSR Sub- Committee of the Board as per the Companies Act, 2013 the 223rd Board Meeting held on 27.06.2020 vide resolution no.3144 the CSR - Sub Committee was reconstituted with the following Directors.

Sl. No	Members	Positions in the Board	Category
1	Sri.Rajamanickam IAS	Director	Chairman
2	CA.Briny Rose Jacob	Independent Director	Member
3	Sri.S. Ganesh Kumar	Independent Director	Member
4.	Adv.S.K.Preeja	Independent Director	Member

6.3 Internal CSR Committee

An Internal Committee for CSR activities, consisting of the following personnel of the Company, is constituted to support the Board's CSR Committee. The Internal Committee identifies CSR activities in the relevant areas, screen the proposals and place it before the CSR Sub-Committee of the Board. After approval from the Board, the Internal Committee takes measures to implement the activities, review the status and reporting the same to the Board's CSR committee.

1. Managing Director
2. General Manager (Works) i/c
3. Deputy General Manager (Marketing) i/c
4. Manager (Finance) i/c
5. Deputy Manager (MIS)
6. Company Secretary

6.4. Duties & Responsibilities of CSR Committee

The CSR Committee shall be guided by the list of activities specified in Sec.135 of Schedule VII of Companies Act, 2013 and may be revised in line with any amendments/inclusions made to Schedule VII of the Companies Act, 2013.

- (i) Formulate and recommend to the Board the CSR activities/programs to be undertaken by MCL.
- (ii) Recommend the CSR Expenditure to be incurred on the CSR activities/programs.
- (iii) Institute a transparent mechanism for implementation of the CSR projects and activities.
- (iv) Effectively monitor the execution of the CSR activities.
- (iv) The Company may also try to obtain feedback from the beneficiaries of each program and present it to the CSR committee
- (vi) Appropriate documentation of the CSR Policy, annual CSR activities, CSR Budget, details of the executing partners, and the expenditure entailed will be reviewed on a regular basis.
- (vii) Prepare an Annual Report of the CSR activities undertaken for MCL and submit it to the Board.

7. CSR EXPENDITURE

Every year the CSR Committees will place before the Board for approval the CSR activities and programmes carried out during the year. The Annual Expenditure is audited and placed before the Board for approval. The continuing schemes expenditures are carried forward to the coming years till the completion of the programmes / budget set aside.

8. Expenditure which will not be considered as CSR Spends

- a) Expenses in activities undertaken in pursuance of normal course of business.
- b) Expenses outside India
- c) Expenditure exclusively for the benefit of employees of the Company and their families.
- d) Political contributions
- e) Expenditure not in conformity of not in line with activities within the purview of schedule VII of the Companies Act 2013 read with Rule 7 f the CSR Rules.
- f) Contributions to National Defense fund (NDP)

9. Disclosure to the Shareholders

As per the companies Act 2013 pursuant to 92(1) Section the CSR totals spent for every financial year to be disclosed to the Shareholders by Board's Report. Also shortfall in CSR spends, if any low compared to the 2% target and reasons for shortfall.

10. Amendment to the Policy

The Board of Directors on its own and /or as per the recommendations of the Internal Committee can amend this Policy, as and when required.

In case of any amendments or orders issues by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendments, orders shall prevail upon the provisions here under and this policy shall stand amended accordingly from the effective date as laid down under such amendments/ orders.