

Corporate Social Responsibility (CSR) Policy of M Moser Design Associates (India) Private Limited

<i>Policy / Process Note Information</i>	
<i>Policy Name</i>	<i>M Moser Design Associates (India) CSR Policy in terms of The Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 135 of Companies Act, 2013</i>
<i>Policy Year</i>	<i>FY 2021-22</i>
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<i>Recommended by Committee of Board, if any</i>	<i>Recommended by CSR Committee to the Board on 1st April 2021</i>
<i>Approved by Board of Directors, if any</i>	<i>Approved by Board of Directors in its Board Meeting held on 1st April 2021</i>
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Corporate Social Responsibility Policy

1. PREAMBLE

For us in M Moser Design Associates (India) Private Limited, taking up Corporate Social Responsibility is an opportunity to serve the society. The company has always endeavored to conduct its business responsibly, mindful of its social accountability, respecting applicable laws and with regard for human dignity. We believe in "contribution to Society and Nation" and making a meaningful difference to them.

M Moser Design Associates (India) Private Limited aims at conducting its business in a way that is sustainable, facilitating greater and more inclusive prosperity for current and future development of society.

2. CSR VISION STATEMENT

M Moser Design Associates (India) Private Limited vision is to help the society and nation in the right way by playing a broader role in the communities in which we live and work beyond what we deliver through core business activities. We do this through community investment programs and the direct efforts of our colleagues.

Our Purpose is – "to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the poor and underprivileged and raise the country's human development index."

3. DEFINITIONS

In this Policy unless the context otherwise requires:

- (a) "Act" means the Companies Act, 2013;
- (b) "Annexure" means the Annexure appended to these rules;
- (c) "Corporate Social Responsibility (CSR)" means and includes but is not limited to
 - (i) Projects or programs relating to activities specified in Schedule VII to the Act or
 - (ii) Projects or programs relating to activities undertaken by the board of directors of the company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- (d) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act

- (e) "CSR Policy" relates to the activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.
- (f) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
 - (i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise;
 - (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

4. APPLICABILITY AND SCOPE OF THE CSR POLICY

M Moser Design Associates (India) Private Limited ('the Company') has developed this Policy titled 'M Moser Design Associates (India) Private Limited CSR Policy' (Policy) encompassing the Company's philosophy for being a responsible corporate citizen and lays down the principles and mechanisms for undertaking various programmes in accordance with section 135 of the Companies Act, 2013 ('the Act') for the community at large.

The Corporate Social Responsibility (CSR) Policy has been developed in consonance with Section 135 and Schedule VII of the Companies Act, 2013 ("the Act") and in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rules) as amended from time to time. The Policy shall act as an approach and direction to be followed by the Company for selection, implementation, monitoring of activities as well as formulation of the annual action plan and the areas or subjects in which Company shall undertake those activities, as approved by the Board on recommendation of the CSR Committee from time to time.

This CSR Policy applies to all CSR projects to be undertaken by the Company and shall be periodically reviewed and updated by the CSR Committee with the approval of the Board in accordance with Applicable Laws.

The CSR Activities to be undertaken by the Company shall not include:

- a. Activities undertaken in pursuance of its normal course of business of the Company;
- b. Any activity undertaken by the company outside India excluding training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- c. The activities which are exclusively for the benefit of the Company employees as defined in clause (k) of Section 2 of the Code on Wages, 2019;
- d. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;

- e. Sponsorship activities supported by the Company for deriving marketing benefits for its products or services;
- f. Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

5. APPROACH FOR CSR SPENDING

CSR Approach: The Company's CSR will revolve around six guiding principles – Impact, Partnerships, Affirmative Action, Volunteerism, Communication and Innovation.

Delivery Mechanism:

- a) The Board of the Company shall endeavour to spend in each Financial Year (FY), at least two per cent of the average net profits (calculated as per Section 198 of the Act) accrued during the three immediately preceding FY's on CSR projects/ programs/activities.
- b) In the event that the amount indicated above is not spent in its entirety in that FY despite best efforts, the reasons thereof will be specified in the Board Report, and unless such unspent amount relates to any ongoing project, it shall be transferred by the company to any fund included in schedule VII of the Act within a period of six months of the expiry of that financial year.
- c) For each FY, the CSR Committee of the Board shall formulate and recommend to the Board an Annual Action Plan specifying:
 - (i) identified projects/programs/activities to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) manner of execution of the same along with budgets allocated for such projects/programs as per the CSR program;
 - (iii) modalities of utilisation of funds and implementation schedules for projects/programs;
 - (iv) Monitoring and Reporting mechanism,
 - (v) Need and impact assessment (if any) for the projects/programmes.
- d) In an event where the Company makes any surplus or profit from pursuing its CSR project/programs, these will not form part of the business profit but will, instead, be deployed back into the same project.
- e) The surplus if not deployed back into the same project shall be transferred to the 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, within a period of six months of the expiry of the financial year.

“Ongoing Project means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include the projects that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.”

6. CSR PROGRAM IMPLEMENTATION

CSR projects/programs/activities shall be carried out through any one or a combination of the following:

- a) Directly by M Moser Design Associates (India) Private Limited;
- b) a company established under section 8 of the Act, or through a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, established by the company, either singly or along with any other company;
- c) through a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government;
- d) through any entity established under an Act of Parliament or a State legislature;
- e) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- f) Collaboration with other Companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes.
- g) Company may engage organisations (including international organisations) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.

7. CSR PROGRAMS FOCUS AREAS

M Moser Design Associates (India) Private Limited shall give preference to the local areas around which it operates, for spending the amount earmarked for CSR and shall endeavour to expand its outreach/scope to other areas, in the interest of community.

8. CSR BUDGET AND CSR EXPENDITURE

- a) The Board shall endeavour that the Company spends at least 2% of the average net profit made during the immediately preceding three financial years.
- b) The CSR Corpus would include the following:
 - 2% of the average net profits,
 - any income arising therefrom
 - Surplus arising out of CSR activities.
- c) CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Program undertaken in accordance with the approved CSR Plan.
- d) The surplus arising out of CSR activities, projects or programs shall not form part of business profit of the Company.
- e) Moreover, any surplus arising from any CSR Program shall be used for CSR activities, projects or programs. Accordingly, any income arising from CSR Program will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

The tax treatment of CSR spent will be in accordance with the Income Tax Act, 1961 as may be notified by the Central Board of Direct Taxes.

9. CSR PLANNING IMPLEMENTATION AND IMPACT PROCESS

9.1 PARTNER SELECTION: M Moser Design Associates (India) Private Limited may implement its CSR projects/ programmes either directly or through its partners. In case of implementation of CSR projects/ programmes through partners, Company shall conduct partner on-boarding evaluation and due diligence. This will be done based on key considerations of credibility, expertise and relevance. Partner identification may be done via the following mediums:

- a) Company inviting proposals for different sectors; and
- b) Proposals submitted directly by implementation/ execution vendors/ agencies or NGOs.

9.2 DUE DILIGENCE OF PARTNERS: Due diligence of shortlisted partners may be conducted based on documents received from organization or on-ground visit or both. The following parameters may be considered:

- a) Legal Status: Should be a registered Society, registered public Trust or a Section 8 Company
- b) Section 12A certificate under Income Tax Act, 1961
- c) Section 80G certificate under Income Tax Act, 1961

- d) Should not promote any political groups
- e) Should not promote any religious groups
- f) Entities mentioned in point no. (a) above, other than those established by the Company either singly or along with any other Company, should have at least 3 years of experience of working in the focus area of the Project
- g) MOA and AOA of the company or the charter documents of the Section 8 company/trust/ society

Any exception to above, would require approval of Chairperson of CSR Committee of the Board.

9.3 PROGRAM EVALUATION: Each program proposal submitted by the shortlisted partner will be evaluated on the following parameters:

- a) Relevance of the program
- b) Experience of partner in executing similar projects
- c) Clearly defined Outcomes
- d) Efficiency of execution and fund utilization
- e) Sustainability
- f) Monitoring and Reporting mechanism
- g) Risk Assessment

9.4 IMPACT ASSESSMENT

The Company shall undertake impact assessment, through an independent agency, of their 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. The Company, after undertaking the impact assessment, may book the expenditure towards CSR for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

10. GEOGRAPHY

Preferably in the states where our offices are present, unless specifically approved otherwise.

11. ROLES AND RESPONSIBILITIES OF THE BOARD

Board shall perform such functions as required under the Act including constituting CSR Committee from time to time as per the provisions of the Act. The functions of the Board shall inter-alia include the following:

- a) Board shall ensure that the CSR activities are undertaken by the Company in adherence to this policy.
- b) The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.
- c) 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 modification if any, for smooth implementation of the project within the overall permissible time period.
- d) The Board may approve Annual Action plan and thereafter may alter the same at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- e) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- f) If the company spends an amount in excess of mandated amount under the Act, such excess amount may be set off against up to immediate succeeding three financial years.
- g) such other functions as may be required under the Act.

12. CSR COMMITTEE MEMBERS AND ITS ROLES AND RESPONSIBILITIES

The composition of the CSR Committee constituted of the Board is as under:

Ms. Moira Marion Luk Moser-Chairperson (Director)
 Mr. Man Keung Joseph Luk-Member (Director)
 Mr. John Merritt Sellery-Member (Director)
 Mr. Nirmal Mangal-Member (Director)

Roles and Responsibilities of the CSR Committee of the Board:

- a) The CSR Committee shall formulate and periodically review/monitor the CSR Policy which shall indicate the projects/ programmes/activities to be undertaken by the Company as specified in Schedule VII of the Act and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.

- b) The CSR Committee shall ensure to take appropriate measures to undertake and implement CSR projects/programmes/activities successfully and shall monitor the CSR Policy from time to time.
- c) The CSR Committee shall identify the areas as well as monitor and review the performance of CSR projects/programmes/activities periodically.
- d) The CSR Committee shall recommend the amount of expenditure/CSR budget to be incurred on CSR projects/programmes/activities as well as regularly report and make recommendations to the Board.
- e) To recommend Annual Report on CSR activities.
- f) To review and submit impact assessment reports to the Board.
- g) The CSR Committee of the Board shall meet as and when required.
- h) The CSR Committee shall formulate Annual Action plan and recommend the same to the Board.
- i) Such other functions as mandated by the Board of Directors or as mandated under the Act and the rules made thereunder.

13. WEBSITE UPDATE

M Moser Design Associates (India) Private Limited shall display on its website (www.mmoser.com) the contents of its CSR Policy, activities, projects and programs and other necessary information as may be required to be displayed. (www.mmoser.com)

14. REPORTING

- a) The members of the Committee shall periodically present to the CSR Committee of the Board, status on current and proposed CSR activities of the Company.
- b) The Board and the CSR Committee must approve and provide in its Board Report on an annual basis, the annual report on the CSR activities after the end of each financial year.

15. EFFECTIVE DATE AND AMENDMENT

This policy supersedes the previous CSR policy and will be effective from 1st April 2021

Any subsequent amendment/modification in regard to CSR provisions/rules notified by the Ministry of Corporate Affairs, shall automatically apply to this Policy. In case any provision(s) of this CSR Policy is contrary to or inconsistent with the provisions of the Act and the Rules framed thereunder (“Statutory Provisions”), the Statutory Provisions shall prevail.

Further, this Policy may be reviewed and amended from time to time.

16. CONTACT DETAILS

For queries related to CSR Policy / Activities / Projects / Programs, please write to the Company Secretary at PankajA@MMoser.com.