

Corporate Social Responsibility (CSR) Policy

Montecarlo Limited
CIN-U40300GJ1995PLC025082
Reg. Office : 706, 7th Floor, Shilp Building,
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Corporate Social Responsibility Policy

The board of directors of Montecarlo Limited (“the Company”) constituted the “Corporate Social Responsibility Committee (herein after called as “CSR”) at their Meeting held on March 31, 2015 with immediate effect, consisting of three (3) Directors of which one (1) is Independent Director.

1. OBJECTIVE

The CSR Committee and this Policy shall be in compliance with provision of Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

The Key Objectives of the Committee would be:

- 1.1. To formulate and recommend the Board in relation to the CSR activities to be conducted.
- 1.2. To recommend the Board about the Budget / Expenditure to be incurred for CSR activities.
- 1.2. To monitor the CSR Activities.

2. DEFINITIONS

- 2.1. **Act** shall mean the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- 2.2. **Board** shall mean Board of Directors of the Company.
- 2.3. **Directors** shall mean Directors of the Company.

2.4 **Company** shall mean Montecarlo Limited.

2.5 **CSR Committee** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.

2.6 **Financial Year** shall mean the period beginning from the 1st April of every year to 31st March of the succeeding year.

2.7 **Net Profit** shall mean the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act and calculated as per section 198 of the Act, but shall not include the following namely:

- (a) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (b) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, shall not be required to be re calculated in accordance with the provisions of the Companies Act, 2013:

Provided further that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381 read with section 198 of the Act.

2.8 **Net-worth** shall mean an aggregate value of the paid-up capital and all reserves created out of the net profits and securities premium account minus the

aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off.

Following is excluded from computations of net worth:

- (a) Reserve created out of revaluation of assets;
- (b) Reserves out of write back of depreciation;
- (c) Reserve created out of amalgamation. (section 2(57) of the Act)

2.9 Turnover shall mean an aggregate value of realization of amount made from the sale, supply or distribution of goods or on account of service rendered or both, by the company during the financial year.

3. Applicability Criteria

Every Company having net worth of Rs. 500,00,00,000 (rupees five hundred crore) or more, or turnover of Rs. 1000,00,00,000 (rupees one thousand crore) or more or a net profit of Rs. 5,00,000,00 (rupees five crore) or more during any financial year shall constitute a Corporate Social Responsibility Committee.

4. ROLE OF COMMITTEE

4.1 Duties and Responsibilities of Committee

The Committee shall:-

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company and same shall be disclose on company's website and board report.
- (b) recommend the amount of expenditure to be incurred on the activities.
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(d) shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

4.2 Identification of CSR Activities

- I. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach bharaat kosh set-up by the central Government for the promotion of sanitation and making available safe drinking water;;
- II. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- III. 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;
- IV. 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;
- V. 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;

- VI. Measures for the benefit of armed forces veterans , war widows and their dependents;
- VII. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- VIII. 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 ;
- IX. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- X. Slum area development.

Explanation-For the purpose of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

4.3 Reporting

4.3.1 Format for the Annual Report on CSR Activities to be included in the Board's Report:

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The composition of the CSR Committee;
3. Average net profit of the company for last three financial years;

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above)

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year;

(b) Amount unspent, if any;

(c) Manner in which the amount spent during the financial year is detailed below:

No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1							
2							
	Total						

*Give details of implementing agency

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

5. MEMBERSHIP

5.1 The Committee shall consist of three (3) or more directors of which minimum One Independent Director.

5.2 Minimum two (2) or 1/3rd members shall constitute a quorum for the Committee meeting.

5.3 Membership of the Committee shall be disclosed in the Annual Report.

5.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

5.5 Composition of the Committee

Sr. No.	Name of Director	Designation in Committee
1.	Mr. Kanubhai Mafatlal Patel	Chairperson
2.	Mr. Ajay Vasantbhai Mehta	Member
3.	Mr. Brijesh Kanubhai Patel	Member

6. CHAIRPERSON

6.1 Chairperson of the Committee shall be an Executive Director or Non- Executive Director.

6.2 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

6.3 Chairperson of the CSR Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

8. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

9. VOTING

9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

10. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.