

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Montecarlo Limited

CIN- U40300GJ1995PLC025082

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Ahmedabad-380058.

Corporate Social Responsibility Policy

The Central Government has come up with the amendments to the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Accordingly company has revised the Corporate Social Responsibility Policy pursuant to considering the said amendment Regulations.

1. DEFINITIONS

- 1.1 **Act** shall mean the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- 1.2 **“Administrative overheads”** means the expenses incurred by the company for general management and administration of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- 1.3 **“CSR Policy”** means a statement containing the approach and direction given by the Board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
- 1.4 **“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 such project 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;
- 1.5 **International Organisation** means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

- 1.6 **Board** shall mean Board of Directors of the Company.
- 1.7 **Company** shall mean Montecarlo Limited.
- 1.8 **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.
- 1.9 **Directors** shall mean Directors of the Company.
- 1.10 **Financial Year** shall mean the period beginning from the 1st April of every year to 31st March of the succeeding year.
- 1.11 **Net Profit** shall mean “net profit” as defined under Section 135 of the Act and the Companies (Corporate Social Responsibility) Rules, 2014.
- 1.12 **Net-worth** shall mean “net-worth” as defined under Section 2 (57) of the Act.
- 1.13 **Rules** shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- 1.14 **Turnover** shall mean “turnover” as defined under Section 2 (91) of the Act.

2. Principles of Interpretation

- 2.2** Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

2.3 Any subsequent amendment/modification in the provisions of the Act and/or Rules related to Corporate Social Responsibility shall automatically apply to this Policy.

a) 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 the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee.

b) ROLE OF COMMITTEE

5.1 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 in areas or subject, specified in Schedule VII; 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.
- e) The CSR Committee shall formulate and recommend to the Board, an annual action plan. which shall include the following, namely:-
 - The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII the Act;
 - The manner of execution of such projects or programmes
 - The modalities of utilisation of funds and implementation schedules for the projects or programmes

- Monitoring and reporting mechanism for the projects or programmes; and Details of need and impact assessment, if any, for the projects undertaken by the company:

5.2 Mode of Implementation of CSR Activities;

5.2.1 The Company may undertake its CSR activities through:

- a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company,
- b) or 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; or
- c) any entity established under an Act of Parliament or a State legislature; or
- d) 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.

5.2.2 The entity intends to undertake any CSR activity, shall register itself with the Central Government.

5.2.3 A company may also collaborate 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 in accordance with these rules.

5.2.4 A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes for capacity building of their own personnel for CSR.

5.2.5 In case of ongoing project, the Board of a Company 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.

5.3 CSR Expenditure.

- The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or 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
- **Treatment of Unspent Amount;**
 - a) **Relating to the ongoing project:** Any unspent amount should be transferred to a special account to be opened in any scheduled bank called as 'Unspent Corporate Social Responsibility Account (UCSRA)
 - b) **Not relating to the ongoing project:** Any unspent amount should be transferred to the Fund specified in Schedule-VII within a period of Six (6) months from the expiry of that financial year.
- **Time period for spending the unspent amount of ongoing project:** The unspent amount shall be spent within a period of three (3) financial years from the date of transfer to UCSRA, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty (30) days from the date of completion of the third financial year.
- **Set-off of excess amount spent towards CSR**
- The Company can Set-off the excess amount spent towards CSR up to immediate three (3) succeeding financial years provided that amount shall not include the surplus amount arising from the CSR activities and Board has passed the resolution to that effect.

5.4 Monitoring

- The CSR Committee shall monitor the progress of the CSR activities from time to time.

5.5 Reporting

- If the company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, 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 impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility 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

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

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules as per amendment in CSR Companies (Corporate Social Responsibility Policy) Rules, 2014.

6. MEMBERSHIP

6.1 The Committee shall consist of three (3) or more directors of which at least One director shall be an Independent Director.

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

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

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

6.5 Current Composition of the Committee

The Board of Directors of Montecarlo Limited (“the Company”) re-constituted the “Corporate Social Responsibility Committee” (herein after called as “CSR”) at their Meeting held on September 30, 2021.

The Current Composition of the Committee are as follows;

Sr. No.	Name of Director	Designation in Committee
1.	Mr. Kanubhai Mafatlal Patel	Chairperson

2.	Mr. Brijesh Kanubhai Patel	Member
3.	Mr. Dinesh B. Patel	Member
4.	Mr. Suhas V.Joshi	Member

7. CHAIRPERSON

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

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

7.3 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.

8. FREQUENCY OF MEETINGS

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

9. SECRETARY

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

10. VOTING

10.1 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.

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

11. 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.

12. Review

The CSR Committee shall review this policy every two years or as and when deemed necessary.

13. Amendments

13.1 Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Act and/or any other laws in this regard shall automatically apply to this Policy.

List of Amendments:

- 1. Through Board Resolution dated 9th July, 2020.*
- 2. Through Board Resolution dated 27th February, 2021.*