

POLICY ON CORPORATE SOCIAL RESPONSIBILITY FOR “MARKOLINES TRAFFIC CONTROLS LIMITED”

Background

At the outset, CSR activities at **MARKOLINES TRAFFIC CONTROLS LIMITED** is already in existence for the benefit of the employees and their immediate family members in the areas of extending loan to employees, participation at festivals and best worker award etc.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability. Further, CSR makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

Objective

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. **MARKOLINES TRAFFIC CONTROLS LIMITED** *will act as a good corporate citizen* and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

Measures

In the aforesaid backdrop, policy on CSR of **MARKOLINES TRAFFIC CONTROLS LIMITED** is broadly framed taking into account the following measures:

1. The CSR activities shall be undertaken by **MARKOLINES TRAFFIC CONTROLS LIMITED**, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
2. The CSR activities which are exclusively for the benefit of **MARKOLINES TRAFFIC CONTROLS LIMITED** employees or their family members shall not be considered as CSR activity.
3. **MARKOLINES TRAFFIC CONTROLS LIMITED** shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.
4. The Board of **MARKOLINES TRAFFIC CONTROLS LIMITED** may decide to undertake its CSR activities as recommended by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

The following is the list of CSR projects or programs which **MARKOLINES TRAFFIC CONTROLS LIMITED** plans to undertake pursuant to Schedule VII of the Companies Act, 2013:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. 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;
4. 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;
5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
8. 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;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10. Rural development projects;
11. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

Organisational mechanism and responsibilities

Constitution of Corporate Social Responsibility Committee

The Board of Directors of the Company shall constitute a **Corporate Social Responsibility** Committee of the Board ("CSR Committee") consisting of three or more directors, out of which at least one director shall be an independent director.

The CSR Committee shall –

1. Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities; and
3. Monitor the Policy of the company from time to time.

The Board of the company shall after taking into account the recommendations made by the CSR Committee, approve the policy for the company and disclose contents of such Policy in

its report and also place it on the company's website and ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.

MARKOLINES TRAFFIC CONTROLS LIMITED provide the vision under the leadership of its Chairman & Managing Director, Mr. Sanjay Patil.

At the Company, the Chairman & Managing Director takes on the role of the mentor, while the onus for the successful and time bound implementation of the CSR activities/projects is on the HR Head and CSR teams.

To measure the impact of the work done, a social satisfaction survey / audit is carried out by an external agency.

Activities, setting measurable targets with timeframes and performance management:

Prior to the commencement of CSR activities/projects, we carry out a baseline study of the nearby area/villages of the Company's Site Locations.

The study encompasses various parameters such as – health indicators, literacy levels, sustainable livelihood processes, and population data – below the poverty line and above the poverty line, state of infrastructure, among others.

From the data generated, a 1-year plan and a 5-year rolling plan are developed for the holistic and integrated development of the affected people.

All activities/projects of CSR are assessed under the agreed strategy, and are monitored every quarter/year, measured against targets and budgets. Wherever necessary, midcourse corrections are made.

Budgets

A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.

In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.

Approving authority for the CSR amount to be spent would be any one Director or the Managing Director /Chief Financial Officer of the Company after due recommendation of CSR Committee and approval of the Board of Directors of the Company.

The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.



The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

Information dissemination

The Company's engagement in this domain is disseminated on its website & annual reports.

Management Commitment

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy. The Committee for CSR is as listed:

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|-----------------------|------------|---|--------------------------------|
| 1. Mr. Akash Phatak | - Chairman | - | Independent Director |
| 2. Mrs. Anjali Phatak | - Member | - | Independent Director |
| 3. Mr. Sanjay Patil | - Member | - | Chairman and Managing Director |

Update

CSR Committee of Board of MARKOLINES TRAFFIC CONTROLS LIMITED will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

Compliance with Companies Act, 2013

Our Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India.