



Corporate **S**ocial **R**esponsibility

MG MOTOR INDIA PRIVATE LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

[In Terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. BACKGROUND:

MG Motor India Private Limited (“the **Company/MGMI**”) is an emerging entity in the sphere of manufacturing, marketing and selling myriad automobiles that are designed and manufactured by the Company itself. MGMI is committed towards building an innovative and globally recognized company that pioneers the automotive future with multiple offerings of family, sports and transportation automobiles and related products and services in India. The Company prides itself for the enriching global history and wishes to continue the same 94 years old legacy in India also. The Company has always stood for racing ahead of the curve and innovating to deliver what people want.

The Company has been following the footsteps of its ultimate holding company SAIC Motor Corporation; where it creates a market-driven strategy, an outstanding workforce and continuous innovation of the products and services. The four standing pillars of the Company are:

- ***People and Communities:*** With an experience of over ninety years, the Company has brought people together and shared experiences and today the MG Family has more than 70,000 members globally.
- ***Innovation:*** Connected cars, future of mobility and internet cars are not just aspirations for the Company. It is striving every day to provide the humanity with a better, safe and mobile future and turning its aspirations into reality.
- ***Experiences:*** The Company has induced its core in the experiences, and it strives not only to do transaction but to create experiences which amplify choices and lifestyle.
- ***Diversity:*** The diversity for the Company has never been limited to gender, sex, caste, cultures and religion. The Company has always encouraged that women should be a part of its workforce.

2. VISION AND OBJECTIVE:

At MGMI, we are committed to sustainable development where the Company is working hand in hand with the social welfare and environmental wellbeing. The Company strives to ‘give back’ to the society and initiate Corporate Social Responsibility activities. This Corporate Social Responsibility Policy (the “**CSR Policy/Policy**”) aims to define and establish the Company’s Policy framework towards Corporate Social Responsibility (“**CSR**”), in accordance to the relevant provisions of the Companies Act, 2013 as amended from time to time (the “**Act**”).

The CSR Vision of MGMI is to focus towards “Promotion of Road Safety Rules, Empowerment of Women, Conservation of Water and Preservation of Cultural Heritage.”

The Company has pledged its contribution towards the positive growth and preservation of the society along with its culture and intends to take CSR activities which have a perennial impact on the economic and social conditions of the local people.

The broad objectives of this CSR Policy are:

- To develop a long-term vision and strategy for the Company's CSR objectives.
- To address the most deserving cause or beneficiaries.
- Transition to become a helping hand for preservation of the environmental and cultural heritage, as a member of the society.
- To demonstrate commitment to the common good through responsible business practices and good governance.
- To engender a sense of empathy and equity among employees of the Company to motivate them to give back to the society.

3. **DEFINITIONS:**

Definitions of some of the key terms used in this policy are given below:

- a) **'Act'** means Companies Act, 2013, as amended from time to time.
- b) **'Board'** means board of directors of the Company.
- c) **'Corporate Social Responsibility'** or **'CSR'** means and includes-
 - (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 in pursuance of recommendations of the CSR Committee as per the CSR Policy of the Company subject to the condition that the CSR Policy will cover subjects enumerated in Schedule VII of the Act.
- d) **'CSR Committee'** means CSR Committee of the Board.
- e) **'CSR Activities'** means projects/programs/activities to be undertaken by the Company in India, pursuant to Section 135 and Schedule VII of the Act read with the CSR Rules.
- f) **'CSR Policy'** means this policy of the Company which relates to the activities to be undertaken by the Company pursuant to Section 135 and Schedule VII to the Act and matters incidental thereto including the expenditure thereon.
- g) **'CSR Rules'** mean the Companies (Corporate Social Responsibility policy) Rules, 2014, as amended from time to time.
- h) **'Net Profit'** means Net Profit as defined in the Rules.
- i) **'Stakeholder'** means and include:
 - local community;
 - employees;
 - shareholders;
 - suppliers/vendors/consultants;
 - contractors;
 - service providers;
 - Any other person including workers involved in construction and allied activities of the Company or category of persons, as may be prescribed in the Act and/or by the CSR Committee including society at large.

Words and expressions not defined herein shall have the same meaning as contained in the Act read with the CSR Rules.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**4.1 CONSTITUTION:**

In compliance with the requirements of Section 135 (1) of the Act, and as per Rule 3 of the CSR Rules, the Board of Directors of the **MG Motor India Private Limited** shall constitute the Policy as the Board of Directors decide from time to time. **As on date, the Board** has constituted the Corporate Social Responsibility Committee (the “**CSR Committee**”) comprising of following members of the Board as members of CSR Committee;

Sl. No.	Name of the Member	Designation in committee	Designation in MG Motor India Private Limited
1.	Rajeev Chaba	Member	Managing Director
2.	Xiaoqiu Gu	Member	Director
3.	De Yu	Member	Director

Company Secretary of the Company shall be the invitee to the meetings of the CSR Committee. The Committee may invite such other executive(s)/employees of the Company, professionals, experts and outsiders with relevant experience, as it may consider appropriate in its sole discretion, whether on permanent basis or temporarily for a specific number of meetings of the CSR Committee, to advise the CSR Committee on the various CSR Activities to be undertaken by the Company.

The Board shall have exclusive power to re-constitute the CSR Committee in its sole discretion, as and when required to do so, by following the relevant provisions of applicable laws.

The CSR Committee shall be responsible for the articulation and formulation of the CSR Projects or Programs to be undertaken by the Company in order to achieve the Company’s CSR Objectives. In furtherance of the same the CSR Committee shall also be responsible to institute a transparent monitoring mechanism for implementation of the CSR Projects or Programs, or other such CSR Activities undertaken by the Company.

The CSR Committee may constitute a CSR Sub-Committee which shall consist of Senior Management from each department of the Company, chaired by the person, so designated by the CSR Committee.

The CSR Committee shall be responsible for the implementation of the CSR Projects or Programs or such other CSR Activities as articulated and planned by the CSR Committee and for reporting about the same to the CSR Committee.

4.2 ROLE AND RESPONSIBILITIES OF THE CSR COMMITTEE:

The CSR Committee shall be responsible for performing the following roles and activities:

- (i) Monitoring the proper implementation of this CSR Policy;

- (ii) Preparation of a CSR roadmap for the upcoming 3 (three) financial years, changing or amending it from time to time as per the requirements of the Company and seeking its approval from the CSR Committee along with the approval for such changes or amendments, if made;
- (iii) Preparation of a CSR Annual Operating Plan which shall be divided into quarters; and shall comprise of clear deliverables on output and budgetary allocations; and seeking its approval from the CSR Committee;
- (iv) Identification and selection of External Agencies/NGOs for implementation of CSR Projects and Programs;
- (v) Seeking approval of project reports of short and medium term CSR Projects, Programs and related Activities from the CSR Committee;
- (vi) Monitoring proper allocation and utilization of the budget approved for CSR Projects, Programs and related Activities by the CSR Committee;
- (vii) Monitoring implementation of CSR Projects, Programs and related Activities;
- (viii) Reporting progress of the CSR Projects, Programs and related Activities to the CSR Committee on a quarterly basis;
- (ix) Conducting statutory audit of all CSR Projects, Programs and related Activities undertaken by the Company during the financial year;
- (x) Collection and presentation of the relevant information for the purpose of publication in the Annual Report of the Company as per the relevant provisions of the Act and the CSR Rules.

4.3 POWER AND FUNCTIONS OF THE CSR COMMITTEE:

In order to effectively implement the CSR Objectives of the Company, the Committee is vested with the following functions and powers:

- (i) Formation of a CSR policy for the Company and recommending the same to the Board for its approval.
- (ii) Review and recommendation of any new CSR initiatives including any new CSR Projects, Programs and related Activities to be taken up by the Company in line with the Schedule VII and other such relevant provisions of the Act read with the CSR Rules.
- (iii) Review the progress of CSR Projects, Programs and related activities already undertaken by the Company.
- (iv) Recommend CSR Expenditure/Budget and get the same approved and allocated by the Board for CSR Activities in accordance with the Act and CSR Rules.
- (v) Monitor spending of allocated CSR Expenditure/Budget.
- (vi) Monitoring the CSR Policy and ensure its compliance of the Act, CSR Rules and related notifications.
- (vii) Review and recommend the periodic CSR Report to be included in the Board's report.
- (viii) Appraise the Board regarding any non-compliance of the Act, CSR Rules and related notifications.
- (ix) Review and recommend any amendments to be made in the CSR Policy of the Company.
- (x) Delegate power to any executive of the Company.
- (xi) To carry on and perform such other functions as may be delegated to it by the Board relating to CSR activities of the Company.

4.4 MEETINGS OF THE CSR COMMITTEE:

For the smooth functioning of the CSR Committee, its members shall meet as below to discuss such matter's and to take such decisions as may be necessary;

- (i) The CSR Committee shall hold a minimum of 01 (one) meetings of its members every financial year;
- (ii) The members of the CSR Committee shall mutually agree between them regarding the time and place for the said meetings;
- (iii) The quorum for the CSR Committee Meeting shall be 1/3rd (one-third) of its total strength (any fraction contained in that one-third be rounded off as one) or (two) members, whichever is higher;
- (iv) The minutes of the CSR Committee Meetings shall be placed before the Board for noting at the Meeting of the Board of the Company;
- (v) The Members of the Committee may participate in the CSR Committee Meeting(s) either in person or through video conferencing or other audio-visual means as may be convenient.

5. GOVERNANCE STRUCTURE:

The CSR Activities shall be undertaken/executed/implemented either by the Company itself or any other trust(s)/registered society(ies) established by the Company. The Company may also conduct/implement its CSR Activities through any company established under Section 8 of the Act (erstwhile Section 25 of the Companies Act, 1956) or through otherwise suitable options.

In the event, the Company implements its CSR Activities through any other trust(s), society(ies), company(ies) that is not established by the Company, such trust(s), society(ies), company(ies) should have an established track record of at least 3 (three) years in undertaking similar programs or projects and the Company will clearly specify the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

In order to implement the approved CSR Activities, the Company may involve specialized agencies, which could include government/semi government/autonomous organizations, educational institutions, professional consultancy organizations, registered voluntary organizations, or any other appropriate agency/authorities.

The Company may also collaborate or pool resources with its subsidiaries or associates or other companies to undertake CSR Activities, provided that the CSR Committees of the respective companies are in a position to report separately on such CSR Activities being undertaken in accordance with the Act and the Rules.

5.1 CRITERION FOR IDENTIFYING EXTERNAL AGENCY/NGO :

While identifying Activity/Program/Project, the Company may also identify the external agency (NGO) who would execute the said project. In case of Project execution by them the following minimum criteria need to be ensured:

- (i) The NGO/Agency has a permanent office in India;

- (ii) The NGO is a registered society under Societies Registration Act/Public Trust Act/Not-for Profit Company under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956);
- (iii) Possesses a valid Income-tax Exemption Certificate.

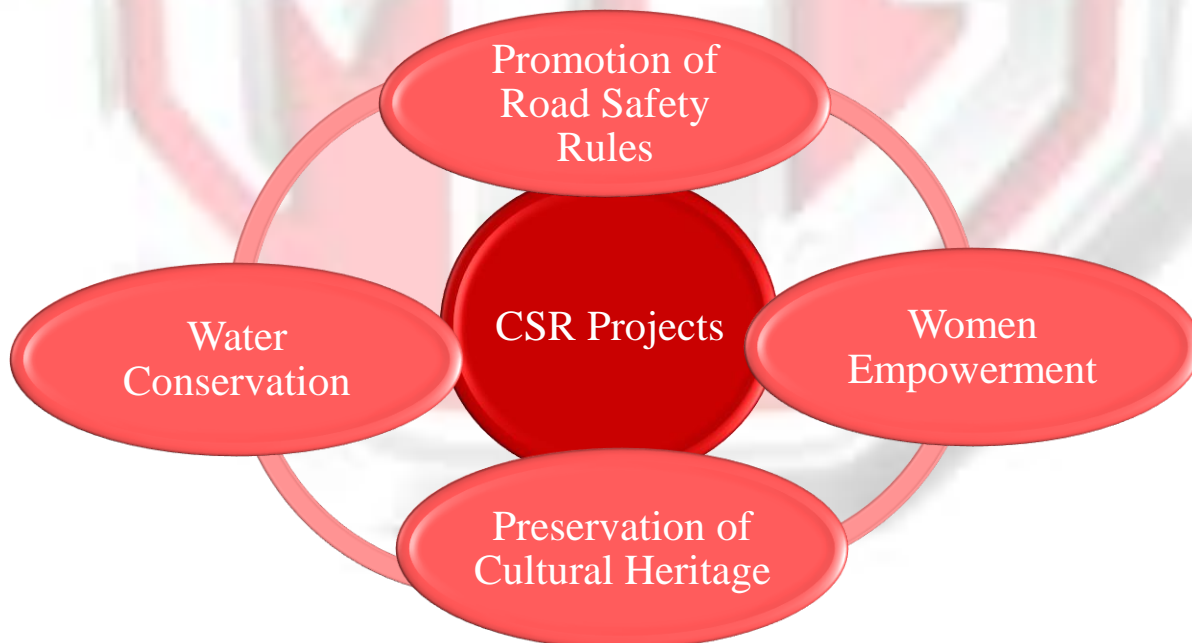
This shall however, be subject to the approval of the Board of Directors.

6. BUDGET:

- 6.1 The Board shall ensure that minimum of 2% (two percent) of average net profit of the last 3 (three) years is spent on CSR Activities undertaken by the Company in a financial year;
- 6.2 All expenditure towards the programs to be diligently documented and reviewed on a regular and timely basis;
- 6.3 In case at least 2% (two percent) of average net profit of the last 3 (three) years is not spent in a financial year, reasons for the same to be specified in the CSR report
- 6.4 Any surplus generated out of the CSR activities not to be added to the normal business profits of the Company.

7. CSR THRUST AREAS:

The Company will focus, as of now, its efforts within the constituencies of “Promotion of Road Safety Rules, Empowerment of Women, Conservation of Water and Preservation of Cultural Heritage” through various programmes designed in the specified domains. More specifically the major CSR Programmes/Projects that the Company is going to invest, are as follows:



However, our commitment to CSR will be manifested by investing resources in any of the following areas: -

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat 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 centers 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. 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 art and handicrafts;
- (v) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vi) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- (vii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (viii) Contributions or funds provided to technology incubators located within academic institutions which are approved by the central government;
- (ix) Rural development projects;
- (x) Slum area development.

The CSR Committee will be entitled to include other projects/programs/activities, or any social development initiative as may be approved by the CSR Committee/Board which is in consonance with the Act read with Schedule VII. The Company shall give preference to the local area and areas around which the company operated for CSR spending.

8. **MONITORING AND REPORTING MECHANISM:**

For the successful implementation of any CSR Project, it is desirable that the said CSR Project achieves the required objective. It is also equally important to ensure that the project makes the desired impact which was visualized at the time of selection and planning.

In compliance with the Act and to ensure funds spent on CSR programmes are creating the desired impact on the ground, a comprehensive Monitoring mechanism shall be put in place. The monitoring and reporting mechanism are divided into three distinct areas:



➤ **MONITORING MECHANISM**

Monitoring Mechanism will ensure that:

- (i) This CSR Policy is implemented as per the Act and rules framed thereunder.
- (ii) The CSR Projects, Programmes and such related Activities as budgeted by the CSR Committee are duly carried out.
- (iii) The CSR spends are closely monitored and funds shall be released against verified utilizations as per the approved work plans. This may include project visits, comprehensive documentation, and regular interaction with beneficiary communities.
- (iv) The CSR spends are audited in an accountable and transparent manner.

The CSR Committee shall provide half-yearly report to the Board.

➤ **EVALUATION**

- (i) Expected outcomes, outputs and inputs will be clearly defined for each programme as stated timelines.
- (ii) There shall be clarity about the scope of the programme and the need before evaluations are undertaken.
- (iii) Third parties may be engaged to ensure objective assessment across baseline and end line parameters.
- (iv) Head of the CSR Committee will be authorized to decide whether it will be internal, external or third party evaluation.

➤ **REPORTING**

The CSR Committee shall be responsible to prepare the Annual CSR report to be filed by the Company on approval of the Board. As per the CSR Rules, the contents of this Policy shall be appropriately disclosed in the Board's Report in accordance with the requirements of the Act, and rules framed thereunder.

In compliance with the requirements of the Act, it is confirmed that;

- (i) A copy of this Policy will be placed on the Company's website / internal portal;
- (ii) Any surplus arising out of the CSR Projects, Programmes or Activities shall not form part of the business profit of the company.
- (iii) CSR Projects and Programmes are being properly documented.
- (iv) Accountability is fixed at each level of CSR process and implementation.

A responsibility statement shall be issued by the CSR committee that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company, at the end of each financial year which shall be a part of Board's Report.

The format of the Annual CSR Report as prescribed under the CSR Rules, is given in **Annexure I** of this Policy.

9. CAPACITY BUILDING:

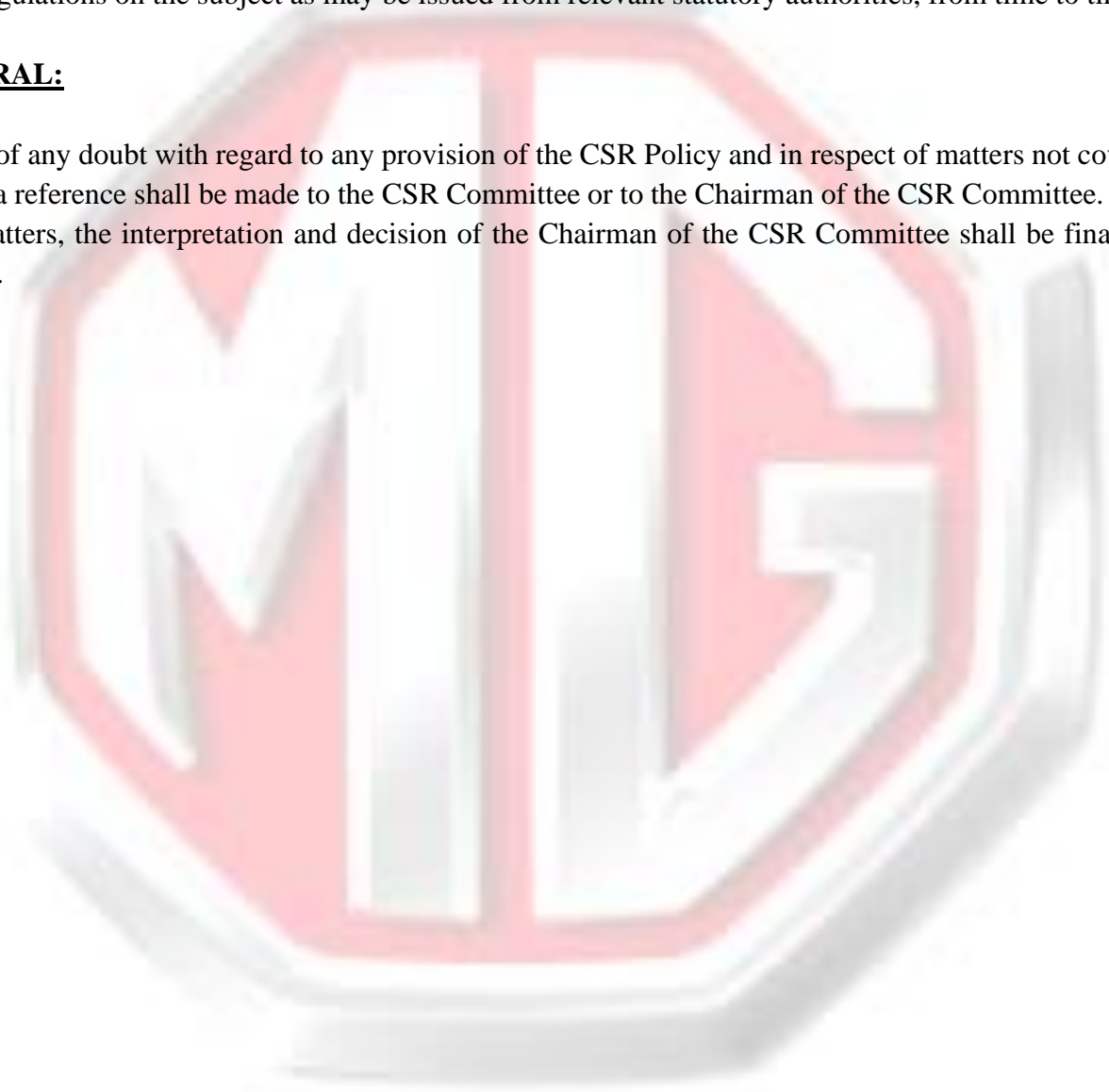
The Company may build CSR Capacities by providing suitable training to their own personnel as well as those of the implementing agencies through institutions with established track record of at least 3 (three) financial years. However, such expenditure, including expenditure in administration overheads, shall not exceed 5% (five percent) of the total CSR Expenditure of the Company in a financial year.

10. AMENDMENTS:

The Board of Directors on its own and/or on the recommendation of CSR Committee may amend this CSR Policy as and when required or deemed fit by the Board. Any or all provisions of this CSR Policy shall be subjected to revision/amendment in accordance with the Act read with the CSR Rules and such other regulations on the subject as may be issued from relevant statutory authorities, from time to time

11. GENERAL:

In case of any doubt with regard to any provision of the CSR Policy and in respect of matters not covered herein, a reference shall be made to the CSR Committee or to the Chairman of the CSR Committee. In all such matters, the interpretation and decision of the Chairman of the CSR Committee shall be final and binding.



ANNEXURE - I

The format of the Report as prescribed under the CSR Rules is stated hereunder:

Sl. No.	CSR Project or Activity Identified	Sector in which the project covered	Project or Programs 1) Local Areas, 2) Specify the state and district where projects or programs was undertaken	Budget (Project or Program)	Amount spent on Project or Program	Cumulative Expenditure	Amount Spent Direct or through Agency	Target Date & Status
(i)								
(ii)								
(iii)								
(iv)								