

Corporate Social Responsibility Policy



Maharashtra Airport Development Company Ltd.

(A Government of Maharashtra Undertaking)

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Philosophy

We, at MADC, understand and recognize that business enterprises are economic organs of society and draw on societal resources. Being a State Government enterprise established for development of Airports and SEZ in the State of Maharashtra, it is MADC's belief that a company's performance shall be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing sustainability. MADC believes that in the strategic context of business, enterprises possess the transformational power to create development models, which are replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of MADC's business. Programs, projects and activities (collectively "CSR Programs") carried out in this regard shall be in pursuance of this Policy.

CSR Policy

It is MADC's policy:

1. To direct MADC's CSR Programs towards achieving one or more of the following:
 - a) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
 - b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects
 - c) 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 backwards groups
 - d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water
 - e) Rural development projects
 - f) 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
 - g) Measures for the benefit of armed forces veterans, war widows and their dependents
 - h) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
 - i) 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

- j) Contributions or fund provided to technology incubators located within academic institutions which are approved by the Central Government
- k) Slum area development

2. To pursue CSR Programs primarily in areas within the vicinity of the Company's operations.
3. To promote sustainability development in the areas where resources are or have been utilized to greater extent.

Implementation

MADC shall implement CSR Programs through its personnel or through external implementing agencies.

To identify the CSR Activities, a formal proposal with complete detail like name of work, approximate cost of project needs to be sent to Vice Chairman & Managing Director. For this purpose, only those proposals that are supported by data, documentary evidence, clearly indicating the need, preferably in thrust areas of the company, shall be taken up. Also, there needs to be clear criterion to evaluate the reliability of the proposal as also adherence to the Companies Act, 2013 ("Act") and adherence to MADDC CSR Policy. Upon the approval of Vice Chairman & Managing Director, the same could be put up to CSR Committee for their comments and approval.

Care should be exercised in selecting specialized agencies which have the necessary competencies, expertise and capabilities to implement the projects. Duly empanelled list of organizations available with National CSR Hub or Tata Institute of Social Sciences can be availed to identify the credible partners for the implementation of MADDC's projects and conducting Baseline Survey.

The Board of the Company may decide to undertake its CSR Activities approved 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 under Section 8 of the Act. Specialized agencies may include Government department, semi-government, non-governmental organizations (NGOs), autonomous organizations, professional consultancy organizations, registered Trusts / Missions, community based organizations, self-help groups, non-for-profit organizations, local bodies such as Panchayati Raj Institutions, Academic Institutions, etc. In case of project/program execution by NGOs/Voluntary Organizations, the organization should have an established track record of at least three years in carrying out activities in related areas.

All activities should represent the logo of MADC, engraved /written with paint "A CSR Initiative of MADC" in bold letters with date of start, completion and clearly visible from all-around.

The Baseline / Need Assessment, proposal Evaluation, Mid-term Assessment and Impact Assessment for all the approved CSR Activities shall be carried out by an institution as approved by the CSR Committee.

Monitoring and Evaluation go hand in hand with the implementation of the project/activity. Timelines, budgetary expenditures and achievement of milestones can only be assessed by monitoring the project. Monitoring should be periodic with a checklist of key indicators related to the project which is helpful in understanding the present picture. Monitoring also creates possibilities of mid-term course corrections in the project. The reporting format by which the implementing organization submits its daily/weekly/monthly/quarterly/yearly reports should be collaboratively designed by the company and the implementing organization by keeping all the indicators of the projects in focus. The reporting format should also have a qualitative data section apart from quantitative data section.

In the case of one-time activity, monitoring should take place after handing over the services to Panchayat / State Government/Central Government, etc. as this helps the company in understanding the functioning of the services provided. This also helps in taking mid-term course corrections if the services provided are not functional.

Evaluation should be conducted by a third party that is not involved in implementation of the project at all. If required, it is advisable to appoint the agency engaged in baseline survey/need assessment for evaluation as the agency can clearly observe and assess whether the implementation is going in right direction as designed. Any new agency can also be recruited for the same, if deemed fit. Impact Assessment study drives to a conclusion whether the objectives of the project have been achieved or not. It also documents the socio-economic improvement and changes in quality of life of the beneficiaries. It also assesses the process of documentation, reporting, implementation, monitoring, beneficiaries' selection in line with the proposal/ needs assessment made beforehand, and all other aspects of the projects and gives a holistic view. It also documents what can be done to replicate the same program with better results.

Governance

1. The CSR Committee, constituted by the Board of Directors, shall:
 - a) Formulate the CSR Policy
 - b) Recommend the amount of expenditure to be incurred on the activities indicated in the policy
 - c) Monitor the CSR policy regularly

- d) Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken
- e) Issue a responsibility statement every year that implementation and monitoring is in compliance with CSR objectives and Policy

2. The Board of Directors shall:

- a) Ensure implementation of the CSR activities
- b) Ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in India in pursuance of its CSR Policy
- c) Specify reasons for not spending such amount, if such amount not spent
- d) Disclose CSR policy, composition of CSR Committee and Annual Report on CSR in the Directors' Report and publish it on the Company's website

CSR Expenditure

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programs undertaken in accordance with the CSR Policy. Moreover, any surplus arising from any CSR Programs shall be used for CSR. Accordingly, any income arising from CSR Programs will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.