

MINDA CORPORATION LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY



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CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility is part of the way Spark Minda, Ashok Minda Group do business with commitment to the community, for a green environment, safe workplace and good health, for a sustainable future. CSR is of utmost concern at the Group, while our Group Companies undertakes several CSR initiatives at local level, the Group also undertake CSR initiatives through Moga Devi Minda Charitable Trust (MDMCT) that was established in 1987 by Late Shri SL Minda, erstwhile founder of Minda Group. Over the year (MDMCT) has implemented several CSR projects such as all round development of children, women and youth belonging to underprivileged section that have been acclaimed at the State and National level.

With the advent of the Companies Act, 2013 ("Act") constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company has formulated a CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

I OBJECTIVES

- To lay down the guidelines for the Company to evolve its relationship with society by way of social and economic contribution and by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.
- To fulfil the directive of the Act enjoining prescribed companies to develop and implement a CSR policy specifying the activities to be undertaken by the Company.
- To prepare list of activities, programmes and projects to be undertaken during the implementation year, specifying modalities of execution and implementation schedules for the same.
- This policy shall apply to all CSR initiatives and activities taken up at the various work centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under privileged and differently abled persons.
- Any surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit.

II DEFINITIONS

- a) Act:** The Act means Companies Act, 2013.
- b) Corporate Social Responsibility:** It means Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”) as amended from time to time.
- c) CSR Activity:** means the activities to be undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, but shall not include the following, namely:-
- (i) activities undertaken in pursuance of normal course of business of the company;
 - (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (iv) activities benefitting employees of the company
 - (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
 - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- d) CSR Committee:** It means the CSR Committee of the Board of Directors formed under Section 135 of the Act.
- e) Net profit:** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:
- f) Average Net Profit:** It shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

- g) "Ongoing Project"** means a multi-year project undertaken by the 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;
- h) "CSR Amount"** means the amount which the Company is required to spend on CSR Activities which shall be at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or such higher amount as the Board of the Company may decide to spend on CSR activities.

III GEOGRAPHIC REACH

The Act provides that the Company shall give preference to the local area and areas around where it operates, for spending the amount earmarked for Corporate Social Responsibility. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

IV SCOPE/ LIST OF CSR ACTIVITIES

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Schedule VII of Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- 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 & employment enhancing vocation skills especially among children, women, elderly & the differently-abled & livelihood enhancement projects;
- iii) Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & 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 & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- vi) Measures for the benefit of armed forces veterans, war widows & their dependents;
- vii) Training to promote rural sports, nationally recognised sports, Paralympic sports & Olympicsports;
- viii) contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;;
- ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
 (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
- x) Rural development projects;
- xi) Slum Area.

Explanation.- For the purposes 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.]

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

In addition to the above any activity recommended by the CSR Committee time to time may also be carried out by the Company.

V MODALITIES OF EXECUTION OF PROJECTS/PROGRAMMES

CSR Committee: The CSR Committee consists of Chairman and two members of the Board with one of them being an independent Board Member.

The Committee will meet at least twice in a year to discuss and review CSR activities and policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee Members may attend the meeting physically or via such audio-visual means as permitted under the Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this CSR policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes as specified in Rules
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company: Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect. "

VI CSR VEHICLE

The Board shall ensure that the CSR activities are undertaken by the company itself or through - Section 8 Company (under Companies Act, 2013) to be established by the Company either singly or along with any other company. However, the 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 said Rules.

VII MONITORING MECHANISM

The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act; (b) the manner of execution of such projects or programmes as specified in the Rules (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes; (d) monitoring and reporting mechanism for the projects or programmes; and (e) details of need and impact assessment, if any, for the projects undertaken by the company:

The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect

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.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

CSR Policy and initiatives of the Company will be reported in the Annual Report of the Company in the manner prescribed under the CSR Rules. All the CSR & Sustainability projects would be documented and hosted on the Company's website also. The Board's Report shall include an annual report on CSR containing particulars specified in the CSR Rules. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

VIII CSR EXPENDITURE

The Board shall ensure that the administrative overheads shall not exceed five (5) percent of total CSR expenditure of the Company for the financial year

IX SURPLUS ARISING OUT OF THE CSR ACTIVITIES

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.

X EXCESS SPENDING ON CSR ACTIVITIES

If the Company spends an amount in excess of requirement provided in the Act such excess amount may be set off against the requirement to spend under the Act up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any,
- (ii) the Board of the company shall pass a resolution to that effect

XI CREATION OR ACQUISITION OF A CAPITAL ASSET

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

XII TRANSFER OF UNSPENT CSR AMOUNT

Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Until a fund is specified in Schedule VII of the Act for the purposes of the unspent CSR amount, if any, shall be transferred by the Company to any fund included in schedule VII of the Act.

If the company fails to spend CSR amount, the Board shall, in its report shall specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

XIII GENERAL

The CSR Policy referred to above is to be read in conjunction with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 as amended from time to time.

Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued from the Government from time to time or as decided by the Board of Directors of the Company.

The above Policy Guidelines are subject to review at suitable intervals and subject to revision accordingly.

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