

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
OF MINOSHA INDIA LIMITED

1. PREAMBLE

Minosha India Limited ('the Company') through the recommendations made by the Corporate Social Responsibility Committee ('CSR Committee') has developed a Corporate Social Responsibility Policy (hereinafter to be referred as 'CSR Policy') in alignment with its objective, principles and values, for delineating its responsibility as a socially and environmentally responsible corporate citizen. The Policy lays down the principles and mechanisms for undertaking various programs in accordance with Section 135 of the Companies Act 2013.

It is the Company's philosophy, firm belief and intent to effectively implement CSR and make a positive difference to society. This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014, Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time.

2. DEFINITIONS

- (a) "Act" means the Companies Act, 2013 (18 of 2013);
- (b) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, 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 as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - (v) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
 - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- (c) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- (d) "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;
- (e) "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;

Words and expressions used and not defined in this policy but defined in the Act and/or rules shall have the same meanings respectively assigned to them in the Act or rules.

3. SCOPE AND APPLICABILITY

This policy shall be applicable to all CSR initiatives and activities undertaken by Minosha India Limited either directly or through entities as mentioned in rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 for the benefit of different segments of the society.

4. OBJECTIVE OF CSR POLICY

The objective of this policy is to continuously and consistently:

- a. Recognize and frame the segments the Company shall chase towards achieving its CSR objectives
- b. Formulate the modus operandi of the CSR activities and implementation of the processes
- c. Initiate projects that benefit communities
- d. Encourage an increased commitment from employees towards CSR activities and volunteering.

5. GOVERNANCE STRUCTURE

Section 135 of Companies Act, 2013 mandates every company having a net worth of Rs.500 Crore or more or turnover of Rs. 1,000 Crore or more or net profit of Rs. 5 Crore or more during the immediately preceding financial year to constitute a Corporate Social Responsibility (CSR) Committee.

The CSR Committee of the Board is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the CSR Committee and to monitor the CSR Policy periodically.

6. RESPONSIBILITIES OF THE CSR COMMITTEE:

The responsibilities of the CSR committee include-

- 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 of the Companies Act, 2013;
- b. Recommend the amount of CSR expenditure to be incurred on the activities referred to in clause (a) above;

- c. Monitor the Corporate Social Responsibility Policy of the company from time to time including monitoring the progress of projects or programs against which CSR expenditure is contributed;
- d. Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the Company;
- e. Give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities

7. FOCUS AREAS/GOALS

For purposes of focusing its CSR efforts in a continued and effective manner, the following areas have been identified:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 centres 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;
- v. 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;

- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- viii. Contribution to the prime minister's national relief fund 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;
 - 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 development;

Provided 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.

8. IMPLEMENTATION

- (1) CSR Projects will be undertaken based on the recommendation of the CSR Committee to the best possible extent, within the defined Focus Areas.
- (2) The Board shall ensure that the CSR activities are undertaken by the Company itself or 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, or
 - (b) 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.
- (3) Every entity, covered above, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar of Companies and obtain a unique CSR Registration Number:
- (4) The 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 rules.

- (5) The Board of Directors of the 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, in the absence of the Chief Financial Officer shall certify to the effect.
- (6) The CSR Committee shall provide guidance on the allocation of the CSR budget among the thrust areas on an annual basis.
- (7) In case of ongoing project, the Board of Directors of the 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.

9. MONITORING PROCESS OF CSR ACTIVITIES

- a. To ensure effective implementation of the CSR activity at each location, a monitoring mechanism will be put in place by the CSR Committee.
- b. Annual action plan will be formulated by the CSR Committee with respect to the CSR projects undertaken by the Company.
- c. The CSR Committee will monitor and review on a periodical basis the progress of CSR activities undertaken / completed.
- d. In order to ensure transparency and communication with all stakeholders, the CSR Committee will document the details of the Company's CSR initiatives, CSR expenditure, CSR unspent amount and ensure that the same are reported in the Annual Report on CSR Activities forming part of Board's Report of the Company.

10. ANNUAL ACTION PLAN

The Annual action plan will be formulated by the CSR Committee and the same will be recommended to the Board. The annual action plan in pursuance of its CSR policy, 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;
- 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 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.

11. BUDGET, ALLOCATION AND CSR EXPENDITURE

- a. For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% or more of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- b. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- c. Any surplus arising out of the CSR activities shall not form part of the business profit of the 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.

- d. Any amount remaining unspent pursuant to any ongoing project, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of 30 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.
- e. In case the Company spends an amount in excess of at least 2% of the average net profits of the Company made during the three immediately preceding years (as per sub-section (5) of section 135), such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 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, in pursuance of sub-rule (2) of Rule 7 of the Companies (Corporate Social Responsibility) Amendment Rules, 2021.
 - (ii) the Board of the company shall pass a resolution to that effect.
- f. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –
- a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - a public authority:

12. TRANSFER OF UNSPENT CSR AMOUNT

Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the Company to any fund included in schedule VII of the Act.
