



MOHAN MEAKIN LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

*{Policy Amended and effective from 14th August, 2021 incorporating the amendments notified by
MCA dated 22nd January, 2021}*

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1. Context

As a corporate entity, Mohan Meakin Ltd ("MML") acknowledges its obligation to contribute to the economic development of the country while improving the quality of life of its workforce and their immediate families as well as of the community and society at large.

Companies Act, 2013 has formally introduced the Corporate Social Responsibility to the dash board of the Indian Companies. Mohan Meakin Limited is much positive and appreciate the decision taken by the Government of India. Legal framework of CSR is an edge to Corporate Charitable/reformative approach towards the Society to which the Corporate is belonging to. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach.

The management of the Mohan Meakin Limited expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it. Further, pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014, which have come into effect from April 1, 2014, vide Notification No. G.S.R.129(E) dated February 27, 2014, as amended from time to time, every Company having 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 (the immediately preceding financial year substituted for 'any financial year' by companies (amendment) Act 2017 w.e.f. 03.01.2018) shall constitute a Corporate Social Responsibility Committee ("**CSR Committee**") and the CSR Committee shall formulate and recommend a policy and shall spend, in every financial year, at least 2% of the average net profit during the immediately preceding three financial years.

The CSR Committee so constituted by the Board Resolution formulated a policy on Corporate Social Responsibility ("**CSR Policy**") and recommended the same to the Board of Directors ('**Board**') for its approval.

1.1 Objectives of the CSR Policy

This Policy shall be read in line with Section 135 (read with schedule VII) of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as the "**Regulations**") as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- ❖ Establishing a guideline for compliance with the provisions of the Regulations to dedicate a percentage of Company's profits for social projects.
- ❖ Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- ❖ Any other foundations, trust or a section 8 Company or any other form of entity with a track record of at least three years in carrying out activities in related areas.
- ❖ MML Board of Directors have formed a CSR Committee. This committee, along with the CSR team, to be responsible for the decision making with respect to M M L CSR policy.
- ❖ CSR Committee recommended the policy to MML Board of Directors and the Board of Directors have approved this policy.
- ❖ The Board level Committee to meet at least twice a year to review the implementation of CSR projects/ programs and give suitable direction.
- ❖ Periodic reports of CSR initiatives to be presented before the Corporate Social Responsibility Committee (CSR) and Board of Directors of the company.

1.2 Definitions

In this Policy unless the context otherwise requires:

- a) "Act" means the Companies Act, 2013 (18 of 2013);
- b) "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- c) "Annexure" means the Annexure appended to these rules;
- d) "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:-
 - e) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

 - a) such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;
 - b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
 - 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 companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vi. activities carried out for fulfillment of any other statutory obligations under any law in force in India;
- f) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- g) "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;
- h) "International Organization" means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
- i) "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:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

- j) “Ongoing Project” means a multi-year project undertaken by a Company in fulfillment 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;
- k) “Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);
- l) “section” means a section of the Act.
- m) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act
- n) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

1.3 CSR Activities

MML will endeavour to adopt an integrated approach to address societal and environmental concerns of the community by taking up a range of the following activities, which shall be taken up strategically, in a focused manner to the extent possible and allowed as per the CSR Policy. Activities mandated for Government can be supplemented by filling the resource gap and giving help to cross the last mile in goal achievement. It is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas (refer schedule VII of the Companies Act, 2013):

- Eradicating extreme hunger and poverty
- Reducing child mortality and improving maternal health)
- Promotion of education
- Promoting gender equality and empowering women
- Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases
- Ensuring environmental sustainability
- Employment enhancing vocational skills
- Social business projects- Promoting Health care including preventive health care.
- Contribution to the Prime Minister's National Relief Fund or any other fund set by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Such other matters as may be prescribed.

These activities will be implemented from the succeeding year of a financial Year in which the Company shows the net profits as per *its* audited annual financial statements. Based on the net profits, if any, every year, the CSR Committee will identify the CSR activities. On recommendation of CSR Committee, the Board may review and change the above list. CSR Committee shall frame detailed guidelines for undertaking the above activities.

The CSR activities will be carried out / implemented, directly or indirectly, through Narinder Mohan Foundation (Reg. Trust), or any other Trust / Society / Section 8 Companies/ Agencies established/registered to carry on the CSR activities as in accordance with the Regulations.

Exclusions:

- ❖ Activities undertaken in pursuance of the normal course of business.
- ❖ Contribution of any amount directly or indirectly to any political party.
- ❖ Programs or activities which are meant exclusively for the benefit of employees of MML or their family members.

Contingency:

Certain contributions/activities required to be implemented on an urgent basis in unforeseen circumstances relating to Natural calamities/disasters, can be taken up for implementation after approval from Committee. The Board of Directors would be apprised about such projects/activities during their next quarterly meeting.

1.4 The Geographic reach

The Company will give preference *to* conducting CSR activities in the states of Uttar Pradesh, Himachal Pradesh and Punjab and at any such location in India as the Committee may identify and may deem fit.

1.5 Impact Assessment

Impact assessment shall be undertaken by the Company or by recipient or by implementing agency as required by and in the manner set out under Applicable Law, and the impact assessment reports(s) shall be placed before the CSR Committee and the Board, and shall be disclosed as legally required.

2. CSR Committee

2.1 Guiding Principles for Constitution of CSR Committee

In accordance with regulations the Company has constituted CSR Committee comprising of three directors out of which two director is an Independent Director.

The Committee will meet at least once in a quarter to discuss and review the 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 meet physically or via audio visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.

22 Committee Members

The CSR Committee constituted by the Board, shall be as follows:

Name	Status	Designation CSR Committee
1. Shri L.K. Malhotra	Director (Independent)	Chairman
2. Shri Yash Kumar Sehgal	Director (Independent)	Member
3. Shri Vinay Mohan	Director (Non- Independent)	Member

23 Scope of Functions of CSR Committee

The CSR Committee to, inter alia, carry out the following functions;

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made there under.
- b) To recommend the amount of expenditure to be incurred on the CSR activities.
- c) To monitor the implementation of framework of CSR Policy.
- d) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, Amendment or modification, as may be applicable, necessary or appropriate for performance of its duties.

2.31 Notified CSR activities:

To implement initiatives mentioned under point 1.3 above.

2.3.2 CSR Expenditure.

- (1) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- (2) 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.
- (3) Where a company spends an amount in excess of requirement provided under 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 this rule.
 - (ii) the Board of the company shall pass a resolution to that effect.

- (4) 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 under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

233 Transparent 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 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.

3. Procedures

3.1. Funding

i. As per the Regulations, the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any unutilized CSR allocation of a particular year, will be carried forward to the following years, i.e., the CSR budget will be non-lapsable in nature.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of section 134 of Act, shall specify the reasons for not spending the amount.

ii. Tax treatment of CSR spend will be in accordance with Income-tax Act, 1961, as may be notified by Central Board of Direct Taxes (CBDT).

3.2. Planning and implementation

i) A list of CSR projects/programs which the Company plans to undertake during the implementation year will be laid down and approved by the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.

ii) The company may fund its CSR activities through the following methods:

- A. Directly on its own.
 - B. Through its own non-profit foundation set - up so as to facilitate this initiative. If the Company decides to set up a Trust or Section 8 Company or society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR policy, the following shall apply:
 - ❖ The Company would need to specify the Projects/ programmes to be undertaken by such an organization, for utilizing funds provided by it;
 - ❖ The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only;
 - C. Through Trusts, Societies, or Section 8 companies operating in India, which are not set up by the Company itself, having an established track record of three years in undertaking similar CSR programs or projects in pursuance with the relevant regulations;
- iii) The company may implement its CSR activities through the following methods:
- ❖ **Identification:** In line with the guidelines framed by CSR Committee the CSR activities proposed to be undertaken with the allocated budget shall be identified.
 - ❖ **Project:** Each activity shall be undertaken as a project and Project report shall be approved by the Board on the recommendation of the CSR Committee. Project Report shall clearly define mile stones and evaluation mechanism.
 - ❖ **Team Creation:** Each project shall be headed by responsible officer of Company, nominated by CSR committee. MML shall form a CSR team, comprising of finance, Tax, & other officers, to look after CSR project. Generally each project should have Project Head and appropriate persons to handle accounting/finance, operations, MIS, evaluation etc..

3.3. **Projects / Partners**

CSR Committee will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company and/or through CSR Partner(s) as given in Point 3.2 above.

3.4. **Criterion for CSR Partner(s) and Agreement**

While identifying projects. CSR Committee will assess CSR Partner(s) organizations who would execute the projects at the grass root level. At a minimum they need to meet the following criteria:

- a. The CSR Partner(s) has a permanent office/address in India;
- b. The CSR Partner(s) is/are a Trust(s), Society/ies, or Section 8 Company/ies having an established track record.
- c. Have requisite framework to report progress/status of the projects on a quarterly basis on agreed parameters.
- d. Maintain a required level of auditable records on the CSR initiatives conducted in conjunction with MML as agreed mutually.

3.5. CSR Reporting and display of CSR Policy

MML will report, in the prescribed format as set out herein as **Annexure I**, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations.

The Board of Directors shall disclose contents of this Policy and composition of the CSR Committee in the Directors' Report.

CSR Reporting .-

- (1) The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.
- (2) In case of a foreign company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.
- (3) (a) Every company having average CSR obligation of ten crore rupees or more in pursuance of sub- section (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less. ”.

Display of CSR activities on its website. –

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.

Transfer of unspent CSR amount. –

Until a fund is specified in Schedule VII for the purposes of sub- section (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.”.

4. Monitoring

- i. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
- ii. Initiatives undertaken on the CSR front will be reported in the Annual Report.

- iii. The CSR Committee and persons / entities authorized by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
- iv. Based on analysis of current projects, carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.
- v. Plan and publish an annual calendar of major events so as strive for maximum participation of stakeholders/society.

5. Amendments to the Policy

The Board of Directors may, either on its own and/or as per the recommendations of CSR Committee, amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

The Board may, from time to time, make amendments to this Policy to the extent required due to change in applicable laws as deemed fit on a review.

6. Conflict in Policy

In the event of any conflict between this Policy and the provisions contained in the prevail of Company's Act, 2013 as applicable laws shall prevail.

Annexure-1

Annual Report on CSR Initiatives to be included in the Board of Directors report on CSR to form part of the Annual Report and website of the Company.

1. Provide a brief outline of the company's CSR policy including the statement of intent reflecting the ethos of the company, broad areas of CSR interest and an overview of activities proposed to be undertaken.
2. Indicate the web-link to the CSR Policy. The Policy should include the full list of projects/activities/programmes proposed to be undertaken by the company.
3. The composition of the CSR Committee.
4. Average Net Profit of the company for last 3 financial years.
5. Threshold Limit-(2% of this amount as in 4 above)
6. Details of CSR activities/projects undertaken during the year:
 - a. total amount to be spent for the year: b. amount carried forward from earlier years: c. amount spent during the year as below: d. amount carried forward for the year:

I. Sr No.	2. CSR Project/activity identified	3. Sector in Which the Project is covered	4. Projects/Programmes 1. Local area/others- 2. specify the state / District (Name of the District's, State/s where project/ programme was undertaken)	5. Amount outlay (budget) project' programme wise	6. Amount spent on the project' programme Subhead I. Direct expenditure on project, 2.Overheads	7. Cumulative spend upto the reporting period	8. Amount spent Direct/through Implementing agency*
1.							
2.							
3.							
	TOTAL						

**Give details of implementing Agency:*

7. In case the company has failed to spend the 2% of the Average Net Profit (INR) of the last 3 financial years , please provide the reasons for not spending the amount.

8. A Responsibility statement, of the CSR Committee, that the CSR policy implementation and monitoring thereof is , in letter and spirit, in compliance with CSR objectives.

Signed

(CEO/Managing Director/Director)

(Chairman CSR Committee)