CORPORATE SOCIAL RESPONSIBILITY POLICY

Version	Created By	Checked By	Approved By	Date of release
Version 1.01	Shivarama Adiga S., VP-Legal and CS	Yusuf Lanewala, CMD	Board of Directors	Feb 06, 2015, Effective from October 01, 2014
Version 1.02	Shivarama Adiga S., VP-Legal and CS	Anand Balakrishnan, MD and CEO	Board of Directors	May 28, 2021
Version 1.03	Shivarama Adiga S., VP-Legal and CS	Anand Balakrishnan, MD and CEO	Board of Directors	December 19, 2023

Background:

Every Company, which has a net worth of Rs 500 Crore or a turnover of Rs. 1,000 Crore or net profit of Rs 5 Crore, during the immediately preceding financial year, is required to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility "CSR" Activities. The CSR activities are not permitted to be undertaken for direct or indirect benefits or the normal course of business of the Company and are restricted to only those activities mentioned in Schedule VII of the Companies Act, 2013 as amended from time to time.

1. CSR Policy

1.1 CSR Committee

Mindteck (India) Limited "MIL" shall have a Board Level Committee herein after referred to as CSR Committee consisting of three or more Directors out of which at least one shall be an Independent Director, if it meets any of the three criteria like net worth of Rs 500 Crore or a turnover of Rs. 1,000 Crore or net profit of Rs 5 Crore, during the immediately preceding financial year.

The role/responsibilities of the CSR Committee include:

1.1.1 Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by MIL as specified in Schedule VII of the Companies Act 2013.
1.1.2 Recommend the amount of expenditure to be incurred on the activities referred to in clause (2) below out of the budgeted amount.
1.1.3 Monitor the Corporate Social Responsibility Policy of MIL from time to time.
1.1.4 Institute a transparent monitoring mechanism for implementation of the CSR projects/programs/activities
1.1.5 Monitor implementation of CSR activities on quarterly basis.
1.1.6 Approve programs / projects / activities as approved by Central Govt.
1.1.7 Recommend the CSR Budget from time to time for the approval of the Board.

1.2 Members of CSR Committee –

- **Yusuf Lanewala** – Chairman of MIL (Chairman)
- **Anand Balakrishnan** – Managing Director and CEO (Member)
- **Jagdish Malkani** – Independent Director (Member)
- **Subhash Dhar** – Independent Director (Member)

Or such members as approved by the Board from time to time.

2. CSR Objectives

MIL shall lay down its focus on the following CSR activities in line with Schedule VII of the Companies Act, 2013, for the benefit of public:

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and facilities for senior citizens, measures for reducing inequalities faced by socially and economically backward groups;
- Any other CSR activities in line with Schedule VII of the Companies Act, 2013 and approved by the Board from time to time.

3. CSR Focus area Projects/ Programs/Activities:

3.1 MIL's Focus area CSR projects/programs/activities are as under:

- Promoting enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement in the local areas.
- Setting up old age homes, day care centers and facilities for senior citizens in the Local areas.
- Any expenditure incurred for imparting skill development programme within the Company over and above the mandatory requirement under the Apprentices Act, 1961 and rules thereunder as amended from time to time.
- Any other CSR projects/programs/activities as per the Schedule VII of the Companies Act, 2013 and approved by the Board from time to time.

3.2 Any projects/programs activities listed above shall be taken up with the approval of CSR Committee.

3.3 The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy as mentioned in the CSR Rules as amended from time to time. The Board may alter such plan at any time during the financial year as per the recommendations of the CSR Committee based on the reasonable justification to that effect.

3.4 These projects/programs/activities shall be undertaken at any of the following in order to have sustainability:

- The Local development plan of MIL shall be in Bangalore, Kolkata or any place where MIL has official business establishments and any other areas in India.
- Contribute or donate amount to approved Funds for the CSR Projects or activities.

3.5 CSR projects/programs/activities shall be implemented by MIL itself or through implementing partners/specialized agencies. The minimum eligibility criteria of an implementing partner are as follows:

- a company established under section 8 of the Act, or a registered public trust or a registered society, which is also registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by MIL, either singly or along with any other company, or
- 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
- any entity established under an Act of Parliament or a State legislature; or
- a company established under section 8 of the Act, or a registered public trust or a registered society, which is also 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.
- However, the CSR Committee may request for any other qualification on a mandatory basis from the applicants while selecting the implementing partners.

Further all the above-mentioned agencies shall be registered with the Central Government in the manner as specified in the Companies Act, 2013 and Rules thereof as amended from time to time.

4. FINANCIAL RESOURCES & CSR EXPENDITURE

4.1 Annual CSR Budget: In line with the requirement of the Companies Act, 2013, MIL shall earmark, at least 2% of the average of profits of MIL earned during the three immediately preceding financial years as CSR Budget.

4.2 Board shall approve the budgeted amount in respect of CSR activities, for every Financial Year based upon applicability.

4.3 **Surplus:** Any surplus arising out of the CSR activities, shall not form part of the business profit of MIL and shall be ploughed back into the CSR project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and the annual action plan of MIL or transfer such surplus amount to a Fund specified in Schedule VII by the Central Government, within a period of six (6) months of the expiry of the financial year.

4.4 **Unspent amount:** In case MIL does not spend the required amount, the Board shall, in its report, 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 by the Central Government, within a period of six (6) months of the expiry of the financial year. Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by MIL in pursuance of its Corporate Social Responsibility Policy, shall be transferred by MIL within a period of thirty (30) days from the end of the financial year to a special account to be opened by MIL 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 MIL in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three (3) financial years from the date of such transfer, failing which, MIL shall transfer the same to a Fund specified in Schedule VII, within a period of thirty (30) days from the date of completion of the third financial year.

Ongoing Project: means a multi-year project undertaken by MIL in fulfilment of its CSR obligation having timelines not exceeding three (3) 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 (1) year by the board based on reasonable justification;

4.5 CSR Expenditure: CSR Expenditure includes all expenditure like contribution to corpus for projects or programme relating to CSR activities approved by the Board, but does not include any expenditure not in line with activities, within the purview of Schedule VII of Companies Act, 2013.

5. Monitoring

5.1 Monitoring process shall be carried out by CSR Group and CSR Committee on quarterly basis.

5.2 Board of Directors shall review and approve the Annual Report on CSR activities as per the Annexure or such prescribed format on yearly basis.

5.3 In case of ongoing project, the Board of MIL 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.

5.4 The Board of MIL 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 the same.

6. AMENDMENT

6.1 This policy shall stand amended in terms of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time.

6.2 Any amendment to this policy shall be in writing and become effective only when the same is approved by the Board of Directors. The Board may review and amend this policy from time to time.