

# CORPORATE SOCIAL RESPONSIBILITY POLICY

## 1. Preamble

Manorama Industries Limited seeks to be a good corporate citizen in all aspects of its operations and activities. It is the Company's intent to make a positive difference to society. It recognizes that it cannot do it all; so that if there are choices to be made, prioritization will be towards doing fewer projects with greater impact and focusing initiatives on communities in which the Company lives and operates.

## 2. Vision and commitment

Our vision is to drive 'holistic empowerment' of the community through implementation of sustainable initiative which will have maximum societal impact by identifying the critical needs and gaps.

We shall remain committed to the following operating principles:

- Conducting business in a socially responsible and ethical manner;
- Protecting the environment and the safety of people;
- Supporting human rights; and
- Engaging, learning from, respecting and supporting the local communities and cultures with which we work.

## 3. Philosophy and approach

The company proposes to create a social impact through 'hands on' execution of the social initiatives, directly and/ or through partnerships with individuals, institutions, NGOs and local Government bodies etc. for the purpose of accessing expertise/ enhancing resources.

## 4. CSR Objectives

The company may carry out any one or more of the CSR activities, notified under the section 135 of the Companies Act 2013 and rules made there under and as amended from time to time, inter-alia the following:

- To fight against hunger, poverty and malnutrition
- To promote health care including rehabilitation health
- To promote education and enhance vocational skills especially among children, women and differently-abled persons
- To facilitate rural development and slum area development.

However, the CSR Committee shall have authority to decide to carry out any other CSR activities within the purview of permissible activities under the Act from time to time.

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### 5. CSR Committee

The Company's CSR governance structure will be headed at the Board level CSR Committee that will be responsible for CSR activities/ project undertaken. The Committee will report to the Board of Directors of the Company. The CSR Committee shall comprise of at least three directors, one of whom shall be independent director. The Board shall be empowered to modify the composition of CSR Committee, provided that there shall always be at least one independent director as part of CSR Committee or such other composition as may be prescribed from time to time.

### 6. Responsibilities of CSR Committee

The CSR committee shall be mainly responsible to;

- Formulate CSR policy, inter-alia in compliance with the section 135 of the Companies Act, 2013 and schedule VII thereof and the Companies Corporate Social Responsibility Policy) Rules 2014.
- 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 sub-rule (1) of rule 4 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021;
  - c) the modalities of utilisation of funds and implementation of 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;
- Identify and recommend to the Board, from time to time, the activities/ projects in line with such CSR policy and seek its approval for expenditure thereon, from the Board of Directors of the Company.
- Put and institute the transparent monitoring mechanism to review the implementation status of each activities/ project.

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- Recommend to the Board, modifications to the CSR policy as and when required.
- Formulate a CSR Management Committee, if required to monitor the approved CSR activities, spending thereon from time to time with a robust and transparent governance structure to oversee the implementation of CSR Policy.
- Recommend to the Board the method of spending the unspent CSR expenditure for a particular financial year to a Fund under Schedule VII as per Section 135(5) of Companies Act 2013.

### **7. CSR Budget**

The total budget for the CSR activities/ projects will be recommended by the CSR Committee and shall be approved by the Board of Directors of the Company.

The expenditure to be incurred on CSR activities/ project during a financial year shall not be less than 2% of the average net profit (calculated in accordance with provisions of section 198 of the Companies Act, 2013) during three immediate preceding financial years of the Company.

If the Company fails to spend such amount of CSR expenditure for a particular financial year, the Board shall provide the reasons for not spending such amount in the Board's report and unless the amount relates to any ongoing project referred in Section 135(6), transfer such unspent amount to a Fund specified under Schedule VII, within a period of six months of the expiry of financial year.

The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

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.

### **8. Unspent of CSR expenditure pursuant to any ongoing project:**

Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a 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

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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,

### **9. Need for impact assessment through an independent agency**

Impact assessment shall be done through an independent agency of the 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.

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

### **10. 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.

### **11. Disclosures**

Regular reporting and disclosure of all CSR and sustainability activities will be a mandatory component as per the Act. A brief summary of CSR projects/ programmes/ activities will also be included in the Annual report in the prescribed format as per the CSR Rules of the Act.

### **12. Limitation and Amendment**

The Board of Directors may at their discretion or on recommendation of the CSR Committee, may make any changes/ modifications and/ or amendments to this Policy from time to time.

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of Act or Listing Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/ modified in due course to make it consistent with the law.

The Policy has been reviewed by the Board of Directors at their Board meeting held on March 05, 2021.