



CORPORATE SOCIAL RESPONSIBILITY POLICY

CSR Policy is inspired by the words "*what you earn – a part of same is for betterment of society*". While pursuing our business strategy of introducing products, the Company operates in a manner that not just continues to generate an attractive return for and all stakeholders, but also minimizes our impact on the environment and helps in replenishing the planet; while lending a helping hand to the community.

A. OUR CSR VISION:

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation and well support other appropriate Organizations which are engaged in and/or undertake Projects/activities having similar objectives

B. OUR CSR MISSION:

1. Ensuring socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become **SELF-RELIANT** and build a better tomorrow for themselves and thereby for country.
2. Ensuring environmental sustainability through ecological conservation and regeneration, protection & re growth of endangered plant species, and promoting biodiversity.

C. DEFINITIONS:

In this policy, unless the context otherwise requires:

- a) "Act" means the Companies Act 2013, including any modifications, amendments or re-enactment thereof.
- b) "Agency" (or Agencies) means any Section 8 Company or a Registered Trust / society / NGO / institution (having registration with Ministry of Corporate Affairs), performing, social services for the benefit of the society.
- c) "Board" means the Board of Directors of the Company.
- d) "Company" shall mean Madhu Silica Private Ltd. and wherever the context requires, shall signify the Company acting through its Board.
- e) "CSR Annual Action Plan" means the Annual Action Plan detailing the CSR expenditure for the year.
- f) "CSR Committee or Committee" means the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act.
- g) "CSR Policy" means the prevailing Corporate Social Responsibility Policy of the Company which covers the activities to be undertaken by the Company On its own and/or by/through other permissible manner as specified in Schedule VII to the Act and the CSR Expenditure thereon.



- h) "Ongoing Project" means a multi-year project undertaken by the Company in fulfillment of CSR Obligations 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 the multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.
- i) "Rules" shall mean the Companies (Corporate Social Responsibility) Rules, 2014 including any re-enactment, modifications or amendments thereof.

D. OUR ACTIVITIES:

The CSR activities to be carried out by the Company will be in line with our stated Vision and Mission, focused not just around Company's work establishments and offices, but also in other geographies based on the needs of the communities.

The **focus areas** where special Community Development programmes would be initiated are:

1. Eradicating hunger, poverty and malnutrition:

- Provision of food, nutrition supplement, clothes etc. for the poor, children and other deprived sections of the society.
- Supporting nutrition in anganwadi centers and building capacities of anganwadi workers to this effect.
- Provision of shelter for homeless.
- Promoting sanitation, making available safe drinking water

2. Promoting Health care including Preventive Health care

- through awareness programmes,
- health check-ups, provision of medicine & treatment facilities ,
- providing pre natal & post natal healthcare facilities,
- prevention of female feticide through awareness creation,
- program for preventing diseases and building immunity,
- providing for mentally retarded, blind children and socially weak people for reducing inequalities faced by the society;
- providing aids for disaster Relief

3. Ensuring environmental sustainability and ecological balance through :

- Plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general;
- Reviving endangered plants, promoting agro-forestry;
- Protection of flora & fauna;
- conservation of natural resources
- Maintaining quality of soil, air & water.
- Adoption of wastelands to cultivate plants;
- Promoting biodiversity;
- Animal welfare and veterinary services.
- Technical support and Knowhow for improving farming and building capacities of small farmers.



- Promoting alternate energy resources.
 - Renewable Energy Projects
- 4. Employment and livelihood enhancing vocational skills and projects including but not limited to tailoring, beautician, mehendi application, bee keeping, food processing and preservation, vermi-composting and other Life Skill Training and livelihood enhancement projects, drivers training for road safety.**
- 5. In addition, the Company has identified the following areas for Community Development interventions:**
- a) Promotion of education especially among children, women, elderly and the differently abled including:**
 - Non-formal education programmes.
 - Supporting schools with infrastructure like benches, toilets, potable water, fans etc.
 - Supporting other educational institutions.
 - Improving educational facilities in general.
 - Supporting children for higher education.
 - Promotion of Road Safety through CSR
 - Providing Consumer Protection Services like grievance redressal mechanism, health safety etc.
 - b) Promoting gender equality and empowering women including:**
 - Adult literacy for women.
 - Promoting and providing credit support to women's self-help and joint liability groups.
 - Training in vocations pursued by women.
 - Setting up homes for women & orphans;
 - Setting up old-age homes & other facilities for senior citizens
 - Setting up hostels for working and student women, day care centers for kids of working women
- 6. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.**
- 7. Other Activities which may be undertaken by the Company:**
- Promotion of Sports with special focus on training for rural sports, nationally recognized sports, Paralympic sports, Olympic sports.
 - Welfare for differently disabled persons
 - Setting up public libraries
 - Reducing inequalities faced by the socially and economically backward groups
 - Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art.
 - Welfare of armed forces personnel, war widows and their dependents.
 - Any other activity which the Company may feel to undertake within the meaning of CSR policy as defined and mentioned under Schedule VII to the Companies Act, 2013 as amended from time to time.
- 8. Incidental Activities.**



Employing people and incurring other costs to carry out aforesaid activities.

E. OUR APPROACH TO IMPLEMENTATION:

The Company will strive to implement the aforesaid CSR activities, which would include:

1. Collaborating with various organizations, which are registered as a Trust or a section 8 company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India and having registration with Ministry of Corporate Affairs that specialize in the aforesaid activities.
2. Contribution to various funds which are aligned with our Vision and Mission e.g.
 - Prime Minister's National Relief Fund
 - Any other fund set up by the Central Government for :
 - socio-economic development and relief.
 - for the welfare of Scheduled Castes, the Scheduled Tribes, other Backward classes, minorities and women.
3. Collaborating or pooling resources with other companies to undertake aforesaid CSR activities.
4. On-going projects will be undertaken by the Company in fulfillment of its CSR obligations having timelines not exceeding three years excluding the financial year in which it was commenced. It shall seek extension/approval from the Board for a multi-year project that has extended beyond one year, based on reasonable justification.
5. By setting up, if so warranted or required, Section 8 Company or permissible Institution.

F. CSR FUNDS:

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- The Company in every Financial Year, shall endeavor to spend the feasible amount, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of the Company's average Net profits for the three immediately preceding Financial Years.
- The CSR Committee shall prepare a CSR Annual Action Plan which shall include :
 - a) Identified CSR Projects
 - b) CSR expenditure
 - c) Implementation Schedules
- Total expenditure in the CSR Annual Action Plan shall be approved by the Board upon recommendation by the CSR Committee.
- In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the unspent amount, relating to a project, other than ongoing project, shall be transferred to any fund included in Schedule VII of the Act



(until a fund is specified in Schedule VII of the Act) within a period of six months from the expiry of the financial year and Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of Section 134.

The unspent amount relating to ongoing project shall be transferred within a period of thirty days from the end of the financial year to a special account which will be opened by the Company in that behalf in that financial year in any scheduled bank to be called "Unspent Corporate Social Responsibility Account and such amount will be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing, which the Company will transfer the same to a fund specified in Schedule VII within a period of thirty days from the date of completion of third financial year.

The disbursement of funds shall be submitted to the Board as a part of the review along with the details of how the funds have been utilized, which shall be certified by the Company's Chief Financial Officer and in his absence by Director.

In case of an ongoing project, the implementation along with the approved timelines and year-wise allocation will be presented to the Company's Board.

1. The CSR Committee shall ensure that the CSR expenditure in the Annual Action Plan shall be for the Projects / Activities mentioned in Schedule VII of the Act.
2. The Company's CSR Committee shall formulate and recommend to the Board, an Annual Action Plan at the beginning of every financial year in pursuance of its CSR Policy, which shall include the following:
 - i. Contribution to any Section 8 Company or a Registered Trust / society / NGO / institution (having registration with Ministry of Corporate Affairs), performing, social services for the benefit of the society.
 - ii. The list of CSR projects or programmes that are approved to be undertaken in the areas or subjects in Schedule VII of the Act;
 - iii. The manner of execution of such projects or programmes;
 - iv. The modalities of utilization of funds and implementation schedules for the projects or programmes;
 - v. Monitoring and reporting mechanism for the projects or programmes;
 - vi. Details of need and impact assessment, if any, for the projects undertaken by the Company
3. The Company may build CSR capacities of their own personnel or personnel of its Trust or Society, as well as those of the Agencies through institutions with established track records of at least three Financial Years but such expenditure shall not exceed 5% of the Approved Budget of the Company in one Financial Year but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular Corporate Social Responsibility project or programme.
4. Surplus arising out of CSR activities shall not form part of business profits and shall be ploughed back in the same project or shall be transferred to unspent CSR Account and spent in pursuance of CSR policy and annual action plan 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.
5. An amount spent in excess of the requirements, such excess amount may be set off against the requirements to spend upto immediate succeeding three financial years subject to conditions that :



- a) The excess amount available for set off shall not include the surplus arising out of CSR activities.
 - b) The Board of the Company shall pass a resolution to this effect.
6. If CSR amount is spent by the company for creation or acquisition of a capital asset, it shall be held by Section 8 Company or beneficiaries of said CSR project in form of self-help groups, collectives, entities or public authority.

G. MONITORING:

- 1) The administration of the CSR Policy and the execution of identified CSR projects, programs and activities shall be carried out under the overall superintendence of the CSR Committee.
- 2) The CSR Committee shall monitor the CSR activities in the following manner:
 - i. Atleast one member of the CSR Committee or his/her representatives shall accompany the representatives of the CSR Partner(s) to each of the venues where the CSR Projects or Activities are implemented at such intervals on need basis.
 - ii. CSR Committee shall procure from each of the CSR Partners, separately for each of the CSR Project, a quarterly status report detailing the unitization of the funds, reasons for deviation from the implementation schedule, if any, corrective measure taken in this regard, requirement of additional funds, if any, along with the reasons for such escalations.
 - iii. Procure pictures, videos and stories from the CSR Partners on the completed and ongoing CSR activities.

H. Impact Assessment:

Impact assessment, wherever required by the Act, will be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the Annual Report on CSR activities. Impact assessment shall be carried out in respect of only those project having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

I. Display of CSR activities:

The Composition of CSR Committee and CSR Policy and Projects approved by the Board will be displayed on the Company's website for public access.

The CSR Committee comprises of below directors:

1. Mr. Rameshchandra V shah
2. Mr. Darshak R shah
3. Ms. Neepa Mehta

J. Transfer of unspent CSR amount:

The unspent CSR amount, if any, shall be transferred by the Company to any fund included in Schedule VII of the Act.

**K. DUTIES AND RESPONSIBILITIES:****a) Board of Directors:**

The Board shall in its Report include the Annual Report on CSR activities as per the format provided in the Annexure to the Rules, as amended from time to time.

b) CSR Committee:

- i) The CSR Committee shall monitor the implementation of the CSR Policy and Annual Action Plan. For this purpose, the CSR Committee shall meet at least twice a year.
- ii) In discharge of CSR functions, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations as may be required by the Board.
- iii) The CSR Committee shall place before the Board the draft Annual Report on CSR activities as per the format in Annexure to the Rules in the Board meeting of the following year for the Board review and finalization.
- iv) The CSR Committee shall ensure that the CSR Policy and finalized Annual Action Plan are displayed on the Company's website.

L. REVIEW PERIODICITY AND AMENDMENTS:

- i) CSR Plan may be revised / modified / amended by the CSR Committee at such intervals as the Committee may deem fit.
- ii) The CSR Committee shall review the Policy every two years unless such revision is necessitated earlier.

This policy is approved by the Board of Directors on 25th May, 2021.

Ramesh V Shah
Director
DIN: 00062983