



POLICY ON CORPORATE SOCIAL RESPONSIBILITY



Mangalam Drugs & Organics Ltd.



OVERVIEW



Vision of Mangalam Drugs and Organics Limited (“MDOL/the Company”) is to run our business to produce an overall positive impact on the society on a continuous basis by contributing for the Economic Development and betterment of quality of life for all our stakeholders.

As a Corporate entity, we are thoroughly aware of our social responsibilities and are committed towards sustainability. The Company endeavors to make Corporate Social Responsibility (“CSR”) a key business process for attaining its CSR objectives.

Our main objective under CSR policy is to actively contribute to the social and economic development of the communities in which we operate. In line with the regulatory expectations, we are putting in place a formal policy as a guide towards our social commitment going forward.

MDOL'S APPROACH FOR CSR

- MDOL is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013, Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (“the **Rules**”), as amended from time to time.
- To pursue CSR programmes primarily in areas that falls within the economic vicinity of MDOL's operations to enable close supervision and ensure maximum development impact. Community around the Company expects employment, development of infrastructure, care for the environment, educational institutions and other developmental activities from the Company operating around them. Beneficiaries of CSR activities develop a positive attitude towards the Company and help in promoting the brand value or goodwill of the Company.
- Volunteering for projects that address the felt need of those areas in which MDOL operates while adhering to the core CSR objectives and plans.
- Partnering with non-government and social welfare organizations for achieving MDOL CSR objectives.



CONSTITUTION OF CSR COMMITTEE

In terms of section 135 of the Companies Act, 2013 and the Rules made thereunder, Board of Directors of the Company shall constitute Corporate Social Responsibility Committee (“**CSR Committee**”) which will consist of a mix of managing/ whole-time, executive / non-executive and independent director(s).

The CSR Committee to, *inter-alia*, carry out the following functions:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy (“**CSR 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. In discharge of CSR functions of the Company, 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, or as required by the Board.
- e. 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.

Role of the Board of Directors:

The Board of Directors shall, *inter-alia*, be responsible for the following:

- a. Approve the CSR Policy for the Company, after taking into account the recommendations made by the CSR Committee.
- b. Ensure that the activities included in Corporate Social Responsibility Policy of the Company are undertaken by the Company to the extent and in the manner considered appropriate.

CSR POLICY & GUIDING PRINCIPLES

MDOL’s CSR Policy is to undertake / provide support in the following activities as permitted from time to time under schedule VII of the Companies Act 2013:

- Eradicating hunger, poverty and malnutrition, promoting health care and including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the protection of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the 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 such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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;
- 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 arts and handicrafts;



- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, Tribes, other backward classes, minorities and women;
- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- Rural development projects;
- Slum area development;
Explanation:- For the purpose of this item, '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.
- Disaster management, including relief, rehabilitation and reconstruction activities.

IMPLEMENTATION OF CSR ACTIVITIES

Company will implement CSR activities in either or / all of following ways:-

- Company will implement CSR activities as per its policies decided by its Board either directly or through Trusts/Societies or section 8 Companies (Companies with charitable objects etc.) operating in India and set up by it.
- Companies have also option to take up CSR activities through entities specified above but not set up by it. It will further ensure that these entities must have an established track record of at least 3 years in the line. The CSR Committee shall specify the tasks to be undertaken by such external agency, which may be undertaken in accordance with the Policy and processes of such agency. However, company will ensure the monitoring of these activities and maintain records of such monitoring.
- Company can also collaborate with other Companies in their CSR projects but those Companies' committees must report CSR activities as per Rules.

Employee participation is an equally important part of developing responsible citizenship. MDOL encourages and motivates its employees to spend time volunteering on CSR issues of their interest.

CSR PLAN OF ACTION

The CSR Committee shall formulate a CSR plan listing out the programs to be undertaken and specify time frame & budget for such programs. This CSR plan is a part of the CSR Policy and may be amended by the CSR Committee as and when necessary. The Board will then consider and approve the CSR plan with or without any modification thereof.

The Broad guidelines shall be as under:



Preventive Healthcare

Contribution to the Hospital run by any charitable trust located in and around the vicinity of the company.

Facilities:

- Medical equipments
- Beds and mattresses
- Regular visit by doctor
- Distribution of basic medicines
- Sponsor health camps
- Distributing booklets on personal hygiene
- Any other services for the betterment of Hospitals

Educational Assistance

Focus on educating the underprivileged children by providing appropriate infrastructure, and groom them as future value creators.

Facilities:

- Providing books, stationery and computers etc.
- Providing teachers.
- Providing other infrastructure to municipal schools.
- Spread awareness amongst parents.
- Offering scholarships and financial assistance to needy and meritorious students.
- Supporting education & training programs.

Promoting Hygiene

To spread awareness about sanitization and provide sanitation facilities in slum areas thereby helping the people residing there to improve health conditions.

Facilities:

- Vaccination camps.
- Spreading awareness on personal hygiene.
- Building toilets.

Relief measures during Natural Disasters

To respond and provide timely help to the affected victims and families during national crisis, natural disasters or any emergency situations of similar nature.

Facilities:

- Contribution to disaster relief funds.



- Extending relief measures during times of natural disaster anywhere in the country.

Environmental Sustainability

To contribute in making environment sustainable.

Facilities:

- Reviving endangered plants, promoting agro forestry.
- Promoting awareness about environmental issues.
- Animal welfare and veterinary services.
- Protection of flora & fauna.

Contribution to Prime Minister's National Relief Fund

Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.

Public Infrastructure Development

To contribute in developing infrastructure in the areas where company conducts in business.

Facilities:

- Projects on construction of roads & bridges.
- Improving water infrastructure in rural areas.
- Building of community centers and youth clubs in rural areas.

Besides the above activities, the Company may undertake any other activities in line with Schedule VII to the Companies Act, 2013 on voluntary basis.

BUDGET - EXPENDITURE

In every financial year, Mangalam Drugs and Organics Limited shall spend a minimum of 2% of its average net profits made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR Policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

Budgets for the CSR programs will be allocated in accordance with the Companies Act, 2013, Companies (Corporate Social Responsibility) Rules, 2014 as may be amended from time to time.

It shall be the duty and responsibility of the CSR Committee to see to it that the CSR programs and activities are carried out within the predetermined time and budget.



Details about the CSR programs undertaken by MDOL shall be displayed on its official website – www.mangalamdrugs.com.

MONITORING

The CSR Committee shall monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports.

Mechanisms to track data and monitor projects shall be established to ensure the transparency and efficiency of the implementation process. The projects shall be evaluated against the milestones defined in the implementation plan of the project.

REPORTING

CSR program details would be communicated in the public domain through the Annual Report in the reporting format as mandated by Section 135 of the Companies Act, 2013. Further, the CSR Policy may be modified, from time to time, by the Board of Directors of the Company on the recommendation of the CSR Committee.

The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR policy is in compliance with the approved CSR policy of the Company.

Further, if the Company fails to spend specified amount pertaining to CSR activities, the Board in its report shall specify the reason for not spending the amount and if the Company spend amount less than the amount prescribed under the Act then such shortfall in expenditure shall be carried forward to the next financial year.

DISCLOSURE OF THE POLICY

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.

SURPLUS ARISING OUT OF CSR PROJECTS

Surplus arising out of the CSR projects or programs or activities, if any, shall be further used in development of CSR projects and shall not form part of the business profits of the company.

FREQUENCY OF MEETINGS

The meetings of the Committee shall be held at such periodic intervals as may be required.

EXCLUSIONS

The CSR activities of the Company will not include the activities undertaken in pursuance of normal course of business of the Company. Any contribution directly or indirectly to any political party or any religious groups will not be considered as CSR activity.



MANAGEMENT'S COMMITMENT

MDOL's Board of Directors, CSR Committee and all employees at MDOL believe and act towards building a better society and sustainable resources.

