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CORPORATE SOCIAL RESPONSIBILITY POLICY



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Introduction

When we refer to *corporate social responsibility* (CSR) at Merino, we are describing a mindset that instills socially responsible thinking coupled with formulating a strategy to use our skills and resources thereby creating a positive change in the livelihood of the underprivileged. Our willingness and commitment towards CSR was conceived much prior to the time it was made a part of statutory enactment for imparting a part of our business profits towards larger good.

Mission Statement

We wish to serve the cause to create a healthy and enlightened life for the needy while fulfilling the responsibility of conservation of scarce natural resources and ensuring environmental sustainability.

In the present day, this policy is aimed at aligning the Company's CSR activities as per Schedule VII of Companies Act, 2013 adhering to all such stipulations / requirements as laid down by the Act and Rules framed thereunder.

The Company shall strive towards this mission of social development while adopting an ethos of compassion and care for the weaker sections of the society.

Focus Areas

The CSR Committee in consultation with the agencies as may be required will identify, formulate and recommend the CSR programs and projects from among the areas or subjects specified in Schedule VII of the Act. The said programs and projects shall be approved by the Board of Directors of the Company.

Our CSR programs and projects will focus on the following objectives:

A. Health Care

1. Our endeavor would be to combat spreading of various diseases, particularly Tuberculosis with special emphasis in adjoining village areas where our factories are situated.
2. Establishing dispensaries, mobile medical vans and doctors to render quality health service to the needy
3. Preventive Health care through awareness programmes and follow up treatment on patients over a given time span
4. Supplementing medical treatment with Yogic Exercise and herbal based Ayurvedic Medicines
5. Voluntary donations to medical institutions

B. Education

The Company shall empower the education movements in India:

- By way of affording equal opportunity to deserving and needy students for studies;
- By publishing books for student welfare to promote Indian values
- Continue the initiative ANNAPOORNA, which is a participation in the "Swami Vivekananda" Mid-day, Meal Program through which nutritious and hygienic meals shall be provided to students and includes girls studying in primary schools thus boosting the health and nutrition of children belonging to the weaker sections of society.
- This program is considered as one of the basic blocks of nation building. It is a landmark service in the field of Health and Education
- Voluntary donations to educational institutions

C. Conservation

1. Conservation of natural resources and ensuring environmental sustainability
2. Actively work towards reducing pressure on natural resources by adopting an effective pro-environment stance alongside adhering to eco-conservationist standards.
3. Continue to take the following environment friendly measures at our factories, some of them being:
 - Using eco-friendly agro waste-fuel for power generation
 - Developing a 'Green Belt' planting flowers, grass and trees
 - Planned planting of trees in neighboring areas every year
 - Implementation of Environment Waste Management Programmes in all processes
 - Usage of Chemical Fertilizers complimented by vermicompost made from potato peels.
 - Usage of Boiler ash in brick making

CSR Budget

Our CSR spent will be in accordance with the provisions of the Act and the CSR Rules.

The CSR Committee, in consultation with the agencies as may be required will propose an Annual Action Plan together with planned CSR Budget to be spent on the CSR Activities for consideration and approval of the committee and Board of Directors. The annual action plan and/or the planned CSR Budget may be altered by the Board on the recommendations of the CSR Committee as may be deemed necessary.

CSR Expenditure

CSR Expenditure will include all expenditure incurred in accordance with the Annual Action Plan/ CSR Budget including any other activity aligned with areas or subjects specified in Schedule VII of the Act.

Expenses on general management and administration of CSR function may be incurred by the Company in accordance with the necessary applicable law(s).

Any surplus arising from CSR activities shall not be considered as part of the business profit of the Company and shall be ploughed back for CSR activities.

Excess amount, if any incurred over the minimum required spent for the year in terms of the provisions of the Act and CSR Rules may be carried forward for set off against spend in the succeeding years in accordance with the CSR Rules.

Unspent amount, if any relating to 'Ongoing Project' or otherwise shall be dealt with in accordance with the CSR Rules.

Impact Assessment

The Company shall, as and when required, undertake an impact assessment of its CSR projects in accordance with provisions of the Act and CSR Rules.

CSR Committee

The Company's CSR Governance structure will be headed by Corporate Social Responsibility Committee of the Board of Directors of the Company.

The CSR Committee shall include at one Independent Director in the committee. The managing director of the company shall chair the meeting of the Committee.

The CSR Committee shall,

- a) formulate and recommend to the Board a CSR Policy;
- b) formulate and recommend to the Board an Annual Action Plan in pursuance of the CSR policy which shall include the following:
 - the list of CSR projects or programmes to be undertaken in the areas or subjects specified in Schedule VII of the Act;
 - the manner of execution of the CSR projects or programmes;
 - the amount expenditure to be incurred on CSR projects or programs and the modalities of utilisation of funds;
 - implementation schedules for the CSR projects or programmes;
 - monitoring and reporting mechanism for the CSR projects or programmes; and
 - impact assessment, if any, to be undertaken for the CSR projects programmes.
- c) monitor from time to time the progress of CSR projects and programs as per Annual Action Plan

d) any other activity as may be required with respect to CSR function.

The CSR Committee may in discharge of their responsibility agencies as it deems fit and proper.

The CSR Committee may invite the Company's official, the trustees and officials of its implementing agencies or any other persons as it deems fit and necessary to the meeting of the CSR Committee.

Mode of Implementation

The Company shall work either at its own or through Trusts or any other entity set up in accordance with requirement of the Companies Act 2013 in close collaboration with communities, like minded agencies and govt. for its education, vocational skills, preventive health, livelihood, rural development programs or may other programs that may come up in future upon suggestion from the CSR committee.

Location

CSR projects or programs under this policy shall be undertaken in India as per the recommendations of the CSR Committee and approval by the Board.

Monitoring

The CSR Committee shall endeavor to devise a robust monitoring system to ensure the effective implementation of the CSR projects and programmes. The Committee shall monitor the implementation of the projects, from time to time, through reports of activities from the concerned officials.

The identified officials stationed at various places shall physically implement the projects at the field level discussing issues that may arise there from with the local authorities and administrative bodies.

Disclosures

The CSR Committee shall ensure that appropriate disclosures are made on the website of the Company and in the Company's Annual Report.
