



MANGAL ELECTRICAL INDUSTRIES LIMITED

(Formerly known as Mangal Electrical Industries Private Limited)

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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1. INTRODUCTION

Corporate Social Responsibility (**CSR**) is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Mangal Electrical Industries Limited ("**the Company**" or "**MEIL**") in India is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 ("**the Act**") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**CSR Rules**"), as amended from time to time.

The Company believes that corporate development has to be inclusive and every corporate has to be responsible for the development of a just and humane society that can build a national enterprise. MEIL commits itself to contribute to the society in ways possible for the organization, through its core CSR team, as a means for fulfilling this commitment.

2. VISION

To drive innovation that empowers industries and fosters inclusive growth, while uplifting communities through dedicated support for education, healthcare, and environmental conservation -ensuring a sustainable and equitable future for generations to come.

3. CSR ACTIVITIES - PROJECTS

The Company has identified the following focus areas around which the Company shall be focusing its CSR programmes. The Company may cover all or any of the following activities under the CSR programmes undertaken by the Company:

- i) **HEALTHCARE:** Promoting healthcare including preventive healthcare and sanitation, eradicating hunger, poverty and malnutrition and making available safe drinking water, providing financial support for healthcare, conducting health camps and providing consultation, medicines etc.
- ii) **EDUCATION:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, providing support at every stage of a child's educational cycle including but not limited to developing infrastructure for schools/educational centers/ universities/hostels, scholarships including financial support to students for education, conducting education programs, skill development and vocational training, support to sports for development of students in both urban and rural settings, digital literacy initiatives and other holistic education initiatives for rural & urban youth.
- iii) **RURAL DEVELOPMENT:** Improving water conservation and rain-water harvesting, developing community infrastructure and strengthening rural areas by improving accessibility, education, healthcare, housing, street roads /lights, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.

- iv) **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** 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.
- v) **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, maintaining quality of soil, air and water, tree plantation, promoting renewable energy and developing gardens.
- vi) **NATIONAL HERITAGE, ART AND CULTURE:** 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 and preserving & promoting music and sports.
- vii) **DISASTER RESPONSE:** Supporting disaster management, including relief, rehabilitation and reconstruction activities and provide relief and assistance to victims of disasters and calamities.
- viii) **CONTRIBUTION TO FUNDS:** Contribution to various funds, projects, universities, bodies, departments, etc. as specified in Schedule VII of the Companies Act, 2013.
- ix) **OTHER INITIATIVES:** To undertake other need-based initiatives in compliance with Schedule VII of the Companies Act, 2013 and amendments thereto from time to time.

4. CSR COMMITTEE

The Board of Directors of the Company (hereinafter referred to as the “**Board**”) has formed the CSR Committee in accordance with the requirements of the Act.

Role of CSR Committee shall include inter-alia the following:

- i) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Act;
- ii) recommend the amount of expenditure to be incurred on the CSR projects;
- iii) monitor the CSR Policy of the Company from time to time;
- iv) prepare an annual report of the CSR activities undertaken for MEIL and submit such report to the Board;
- v) formulate and recommend to Board the 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; and appended to this Policy as Appendix-1, which may be revised in line with any amendments/inclusions made to 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 the CSR Rules
 - c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - d) monitoring and reporting mechanism for the projects or programmes;

- e) details of need and impact assessment, if any, for the projects undertaken by the company; and
- f) any other requirements mandated under the Act and Rules issued thereto.

5. RESPONSIBILITY OF THE BOARD

- i) Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the Committee.
- ii) Ensure the CSR spending every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the Policy.
- iii) Ensure that CSR activities included in the CSR Policy are undertaken by MEIL and that such activities are related to the activities specified in Schedule VII of the Act.
- iv) Ensure disclosure on the MEIL website details as required under the Act and CSR Rules.
- v) Ensure that Directors' Report shall include:
 - a) Contents of the CSR Policy,
 - b) An annual report on the CSR in the prescribed format as per Appendix- 2; as notified under the amended Act,
 - c) Reasons for failure (if any) to spend required amount on CSR activities.
- vi) Ensure that MEIL shall undertake the CSR activities through itself or through specified entities as explained in point 10 of this Policy.
- vii) Ensure:
 - a) That the funds are utilized for approved purpose and shall be certified by Chief Financial Officer (CFO)
 - b) To monitor ongoing CSR projects and modify the same as required
 - c) To approve annual action plan
 - d) To monitor administrative expenses/overheads and restrict the same to 5% of total CSR spend of the Company for the financial year
 - e) In case of excess spend in any given year, set-off the amount in the succeeding years as mentioned in the Policy.
 - f) To undertake Impact Assessment through an Independent Agency for projects of 1 crore or more which have been completed not less than 1 year before undertaking the impact study.

6. ANNUAL CSR ACTION PLAN

Every year, the CSR Committee will place for the approval of the Board, an annual CSR Action Plan (hereinafter referred to as “**CSR Plan**”) delineating the CSR Programmes to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, monitoring & reporting mechanism for the CSR Programmes and details of need and impact assessment, if any, for the CSR Programmes undertaken by the company. The Board will consider and approve the CSR Plan with such modification that may be deemed necessary; the CSR Plan may also be modified by the Board during the financial year, on the recommendation of the CSR Committee.

7. SELECTION AND IDENTIFICATION

CSR activities / projects to be undertaken shall be in line with Section 135 read with Schedule VII of the Act and the Rules made thereunder, as amended from time to time and would be identified in a participatory manner in consultation with the community and for selection of any activities / projects, the scope, impact, cost, timelines, sustainability, visibility of the Company and other relevant factors needs to be evaluated.

8. MONITORING AND GOVERNANCE

The CSR Committee will review, monitor and provide strategic direction to the Company's CSR practices towards fulfilling its objectives.

The CSR team would have the responsibility of implementing and monitoring the approved CSR Programmes within the specified budgets and timeframes.

The CSR Committee may also assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit, and ensure implementation thereof.

Once every six months or at such other frequency as the CSR Committee may direct, the CSR team will provide a report to the CSR Committee on the progress of implementation of the approved CSR Programmes carried out during the six-month period.

The CSR Committee will review the aforesaid progress report and keep the Board apprised, once every six months, on the status of implementation of the CSR activities / project.

At the end of every financial year, the CSR Committee will consider an Annual Report on CSR activities and recommend the same for the approval of the Board. The said Report will be disclosed as part of the Report of the Board.

9. CSR EXPENDITURE

- i) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- ii) In every financial year, the Company shall spend a minimum of 2% of its average Net Profit in the immediately preceding three (3) financial years. Net profit shall mean the net profit of the Company as per its financial statement prepared in accordance with the Act but shall not include (a) profits arising from any overseas branch or branches of MEIL (whether operated as a separate company or otherwise); or (b) dividend received from other companies in India, which are covered under and complying with the provisions of the Act.
- iii) CSR expenditure in excess of the requirement (i.e. 2%), may be set-off against the requirement of the CSR spending u/s 135(5) of the Act upto the immediate succeeding three financial years' subject to the conditions that:
 - a) The excess amount available for set-off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule 2 of Rule 7 of the CSR Rules
 - b) The Board of Directors shall pass a resolution to that effect.
- iv) CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the approved CSR activities. If any amount unspent pertaining to an ongoing project, the unspent amount will be transferred 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 “Unspent Corporate Social Responsibility Account” and such amount shall be spent by MEIL in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, MEIL shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

- v) Unless the unspent amount relates to any ongoing project , transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- vi) CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- vii) CSR Expenditure shall not include Projects or programs or activities undertaken outside India except for training of Indian sports personnel representing any State or Union Territory at National level or India at international level.
- viii) The surplus arising out of the CSR activities or projects shall not form part of the business profit of MEIL.
- ix) The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by:
 - a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c) a public authority:

Provided that any capital asset created by MEIL prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

10. IMPLEMENTING CSR ACTIVITIES

The Company's CSR Programmes will be implemented:

- i) Directly by the Company; or
- ii) through any other company established under section 8 of the Act, or registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company; or
- iii) 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
- iv) any entity established under an Act of Parliament or a State legislature; or
- v) a company established under section 8 of the Act, or a registered public trust or a registered society,

exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

vi) The following activities do not qualify as CSR Activities under the Act:

- a) projects or activities not falling within Schedule VII (Appendix 1);
- b) activities undertaken in pursuance of normal course of business;
- c) projects or programs or activities that benefit only the employees of MEIL and their families
- d) direct or indirect contribution to any political party.
- e) activities carried out for fulfilment of any other statutory obligations under any law in force in India
- f) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services

The Company may engage international organisations for designing, monitoring and evaluation of the CSR programmes as per the CSR policy as well as for capacity building of its own personnel for CSR.

The Company may also collaborate with other companies or institutions for undertaking CSR Programmes in such a manner that the CSR committees of the Company is in a position to report separately on such programmes in accordance with the CSR Rules.

In case CSR Programmes are implemented through external agencies or Trusts, the programmes to be undertaken by those agencies or Trusts will be specified, and it will be ensured that such programmes are covered in the Objects laid down in the respective Trust Deeds / Memoranda and Articles of Association of the external agencies / Trusts.

11. DISCLOSURE

This Policy will be posted on the Company's website www.mangals.com and web link thereto will be disclosed in the Board's Report of the Company.

12. REVIEW AND AMENDMENTS IN THE POLICY

This Policy will be reviewed by the Board, on the recommendation of the CSR Committee, as and when deemed necessary.

Any subsequent amendment / modification to the CSR provisions as contained under the Act or Rules framed thereunder or other applicable laws in this regard shall automatically apply to this Policy and the Policy shall be deemed to have been amended accordingly.

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

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Effective Date: May 24, 2025

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CSR ACTIVITIES LISTED IN SCHEDULE VII OF THE COMPANIES ACT, 2013

CSR shall focus on social, economic and environmental impact rather than mere output and outcome. Activities which are ad hoc and philanthropic in nature shall be avoided. Various activities that can be undertaken in general under CSR are outlined below:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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.
5. 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 art and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
7. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
8. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
9. (a). Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
10. Rural development projects
11. Slum area development.