



The Sandur Manganese & Iron Ores Limited

***CORPORATE SOCIAL
RESPONSIBILITY (CSR) POLICY***

Applicable from 10 November 2022

This policy is in supersession of previous CSR policy duly approved by the Board of Directors in its 348th Board meeting held on 28 June 2021.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF THE SANDUR MANGANESE & IRON ORES LIMITED

1) OBJECTIVE:

CSR entails transcending business interests and grappling with the “quality of life” challenges that economically weaker sections of the society face and working towards making a meaningful difference to them. For us at The Sandur Manganese & Iron Ores Limited (SMIORE), reaching out to the under privileged communities is part of our Philosophy and Culture.

SMIORE, for more than six decades, has been consciously contributing towards Social and Environmental improvement of the Sandur region and shall continue to have among its objectives the promotion and growth of the society. The Company shall continue to be mindful of its Social and Moral responsibilities towards its all its stakeholders which include Customers, Employees, Shareholders, and the local Community.

2) VISION AND MISSION:

Vision

To be a corporate with its strategies, policies and actions aligned with wider social concerns, through initiatives focused on education, health & sanitation, environment and socially relevant matters.

Mission

Take proactive measures as a responsible Corporate Citizen for the well-being of society, as per its needs.

3) DEFINITION:

(a) “Act” means the Companies Act, 2013 (18 of 2013);

(b) “Administrative overheads” means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

(c) “Annexure” means the Annexure appended to these rules;

(d) “Corporate Social Responsibility (CSR)” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following:-

- i. activities undertaken in pursuance of normal course of business of the Company;
- ii. any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- iv. activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- v. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
- vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.

(e) “CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act;

(g) “International Organisation” means an organisation notified by the Central Government as an international organisation under Section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

(h) “Net profit” means the net profit of the Company as per its financial statement calculated in accordance with the provisions of Section 198 of the Act, but shall not include the following:

- (i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

(i) “Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

(j) “section” means a section of the Act.

4) SCOPE OF CSR ACTIVITIES:

In line with the broad principles defined above, the Company would have freedom and flexibility to choose from any of the activities specified below:

SMIORE EDUCATION PROGRAMME:

- i. promoting education, prevention of child labour, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.”
- ii. Providing facilities in schools & Anganwadis, initiatives for Girl child education, merit scholarships for technical education.
- iii. Construction, reconstruction, renovation and repairs of school buildings and other facilities within the local area of operation.

SMIORE HEALTHCARE AND SANITATION PROGRAMME:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation.
- ii. Making available safe drinking water facility at public places (bus stands, schools, hospitals etc.).
- iii. Public health and hygiene (supporting PHCs & maternity homes, cleaning public places, clearing garbage dumps, providing dust bins, improving drainage, area spraying for preventing Malaria, Chikungunya, Dengue and organizing public awareness programmes etc.)
- iv. The health & nutrition needs, mobility and livelihood of lower income group households which have been severely affected by the Pandemic / Epidemic. The activities shall be implemented under 4 broad areas; 1) Providing relief facility and feed the needy, 2) Pandemic / Epidemic awareness, education and prevention, and 3) treatment and promotion of health care.

SMIORE COMMUNITY DEVELOPMENT PROGRAMME:

- i. 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.
- ii. Street lighting and providing solar lighting systems in the areas situated in the vicinity of Company's operations.

SMIORE PROTECTION OF ENVIRONMENT PROGRAMME:

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.”

SMIORE PROTECTION OF NATIONAL HERITAGE, PROMOTION OF LOCAL 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 local and traditional arts, culture and handicrafts. The programme also covers construction of Work Sheds and creation of requisite infrastructure to institutions supporting the aforesaid activities.

OTHER PROGRAMME:

The above list is illustrative and not exhaustive. On the prior approval of CSR Committee, SMIORE can undertake such other CSR activities as prescribed in the Schedule VII of the Act and amended from time to time.

The list and implementation modalities may be modified from time to time, as per recommendations of the CSR Committee of the Board of the Company.

5) COMPOSITION OF CSR COMMITTEE:

- i. Pursuant to Section 135 of the Companies Act 2013, and the amendments thereof the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The members of the CSR Committee shall be appointed by the Board of Directors of the Company. The CSR Committee shall consist of at least three or more members from the Board out of which at least one director shall be an independent director. In case of any amendment in the Act the CSR committee shall be reconstituted to meet the requirement of such amendment.
- ii. The CSR committee shall hold at least two meetings in a financial year.
- iii. The details of the composition shall be hosted on the Company's website at www.sandurgroup.com.

6) PRINCIPLE OF SELECTION OF PROJECT:

Project selected for CSR activities will be categorized under ongoing project and project other than ongoing project.

“Ongoing Project” means a multi-year project undertaken by the Company in fulfilment of its 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 a multi-year project but whose duration has been extended

beyond one year by the Board based on reasonable justification;

“Other than Ongoing Projects” means projects which are not fulfilling the condition of Ongoing Project i.e., which are expected to be completed within that respective Financial Year.

7) CSR IMPLEMENTATION:

- 1) The Board shall ensure that the CSR activities are undertaken by the Company itself or through:
 - i. 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 (43 of 1961), established by the Company, either singly or along with any other company, or
 - ii. 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
 - iii. any entity established under an Act of Parliament or a State legislature; or
 - iv. 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.
- 2) Every entity, covered under sub rule (1) above, who intends to undertake any CSR activity for SMIORE, shall register itself with the Central Government by filing Form CSR-1 electronically with the Registrar.
- 3) SMIORE may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.
- 4) SMIORE may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
- 5) In case of ongoing project, the Board of SMIORE shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.”

8) FORMULATION OF ANNUAL ACTION PLAN:

The CSR Committee shall formulate and recommend to the Board, an annual action plan, which shall include the following, namely-

- i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- iv. monitoring and reporting mechanism for the projects or programmes; and
- v. details of need and impact assessment, if any, for the projects undertaken by the Company;
- vi. the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.”.

The annual action plan to be placed before the CSR Committee will be as per Annexure I.

9) CSR EXPENDITURE:

- i. The Board shall ensure that SMIORE spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years.
- ii. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- iii. Any surplus arising out of the CSR activities shall not form part of the business profit of the 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.
- iv. Where SMIORE spends an amount in excess of requirement provided under

sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to 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 this rule.
 - b) the Board of the Company shall pass a resolution to that effect.
- v. The CSR amount may be spent by SMIORE 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:
- vi. If SMIORE fails to spend such amount, the Board shall, in its report to be made under clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 specify the reasons for not spending the amount and, 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.
- vii. Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, to be undertaken by SMIORE in pursuance of its Corporate Social Responsibility Policy, shall be transferred by SMIORE 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 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, failing which, the company 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.
- viii. SMIORE shall give preference to the local area and areas around its operations, for spending the amount earmarked for Corporate Social Responsibility activities:

10) IMPACT ASSESSMENT STUDY FOR CSR ACTIVITEIS

If SMIORE's average CSR obligation exceeds INR 10 crore in the three immediately preceding financial years, the Company is required to undertake impact assessment through an independent agency for CSR projects of INR 1 crore or more and which have been completed not less than one year before undertaking the impact study. Expenditure on impact assessment may be accounted towards CSR of that financial year, which shall not exceed two percent of the total CSR expenditure in the relevant financial year or INR 50 lakh, whichever is higher.

The impact assessment reports are to be placed before the Board and annexed to the Annual CSR Report.

11) GOVERNANCE AND MONITORING:

The CSR Projects, plan and activities shall be monitored at various levels as follows:

Level	Roles and responsibilities
BOARD OF DIRECTORS	<ul style="list-style-type: none">a) Approve the Corporate Social Responsibility Policy for the Company after considering the recommendations of CSR Committeeb) The Board shall satisfy itself that funds so disbursed have been utilised for the purposes and in the manner approved by the Board.c) In case of an ongoing project, monitor the implementation of the project with reference to the approved time lines and year-wise allocation.d) To make modifications to the project, if any, for smooth implementation of the project.e) To ensure that the CSR activities are undertaken by the Company as per the CSR policy.f) Evaluate the performance of CSR Committee on an annual basis.
CSR COMMITTEE	<ul style="list-style-type: none">a) Formulate an action plan 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).b) Recommend the amount of expenditure to be incurred on such activities.c) Monitor the CSR Policy of the Company from time to time.d) Formulation of annual action plan as per the policy of the Companye) Field visits to Project / Programme sites, if necessary;f) Undertake / arrange for interaction with beneficiary communities to obtain feedback;

	g) Evaluate actual performance of CSR activities and the impact such activities are making on the people, society and environment;
COMPANY MANAGEMENT	a) To see effective implementation of the CSR activities in the scheduled area as per the annual CSR plan b) Providing implementation status reports to the CSR Committee in its meeting and as directed by it from time to time. c) To ensure timely implementation of CSR activities by implementation agency and reporting to the Committee. d) To ensure adherence of compliance while undertaking the CSR activities.

12) REPORTING, DISCLOSURE AND REVIEW:

In compliance with the provisions of the Act, and in preparation of the Annual CSR Report, the CSR Committee/ such other person as may be identified by the Committee / Board will ensure the following reporting requirements:

- i. All CSR Projects / Programmes are documented;
- ii. Accountability is fixed at every level of the CSR process and the implementation status;
- iii. Details regarding meetings of CSR Committee;
- iv. Details of impact assessment of CSR Projects, where ever required;
- v. Set-off of any excess CSR amount against future CSR obligations;
- vi. Amount spent on administrative overheads, impact assessment, if applicable, and onongoing projects; etc.

The format for annual report disclosure shall be as per the Act and Companies (Corporate Social Responsibility) Rules, 2014 for the time being in force and as amended from time to time.

Certification of utilization of CSR funds

The Board shall satisfy itself that the CSR funds have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

Disclosure in the Annual Report of the Company

The details about the Policy developed and implemented by the Company on CSR, initiatives taken during the year and details of CSR spent during the FY shall be disclosed in the Annual Report of the Company, pursuant to the provisions of the Act.

This policy shall be subject to amendments under the Act or any other applicable laws or regulations, and the Chairman of the CSR Committee is authorised to make the

incidental changes to this Policy.

Disclosure on the Website of the Company

The Board shall ensure mandatorily disclosure of the following on the website of the Company: 1) Composition of the CSR Committee ii) Projects approved by the Board iii) CSR policy

Review of policy

This CSR Policy will be reviewed once in every three years or as per the requirement of the Act.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Mode of implementation – Direct (Yes/No).	Mode of implementation – Through implementing agency.	
				State.	District.		Name.	CSR registration number.
	TOTAL							