

CORPORATE SOCIAL RESPONSIBILITY POLICY

MIKUNI INDIA PRIVATE LIMITED

“Businesses cannot be successful when the society around them fails.”



1. INTRODUCTION

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

Mikuni India Private Limited ('Mikuni India') is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013 and related rules.

Mikuni India 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. Mikuni India commits itself to contribute to the society in ways possible for the organization and has set up CSR committee as a means to fulfill this commitment.

2. POLICY AIMS & OBJECTIVES

Mikuni India's CSR policy intends to:

- i. promote projects which are:
 - Sustainable and create a long term change
 - Have specific and measurable goals in alignment with Mikuni India's philosophy
 - Address the most deserving cause or beneficiaries
- ii. develop a long-term vision and strategy for its CSR objectives;
- iii. Establish relevance of potential CSR activities to its core business and create an overview of activities to be undertaken in line with Schedule VII of the Companies Act, 2013;
- iv. Establish process and mechanism for the implementation and monitoring of its CSR activities.

3. FOCUS AREAS

In accordance with the requirements of the provisions of Companies Act, 2013 including Schedule VII, Mikuni India's CSR activities will focus on:

- 3.1 Promotion of education especially among children, women, elderly and the differently-abled
- 3.2 Effective resource management and energy efficiency
- 3.3 Performing cleanup activities on roads and around the plant
- 3.4 Contribution to Government for CSR Activities

4. COMMITTEE COMPOSITION

The CSR Committee of the Board shall be composed of the following Directors:

1. Chairman as the Company Chairman
2. Member as the Company Managing director
3. Member as the Company One Executive director

5. COMMITTEE MEETINGS

The CSR Committee shall meet as its members deem necessary to perform the duties and responsibilities but not less than 1 (One) time a year.

6. DUTIES & RESPONSIBILITIES OF CSR COMMITTEE

- i. Review of the CSR activities to be undertaken by Mikuni India. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Companies Act, 2013 and appended to this Policy as Appendix - 1. Appendix 1 may be revised in line with any amendments/inclusions made to Schedule VII of the Companies Act, 2013.
- ii. Formulate and recommend to the Board the CSR policy/activities/programs to be undertaken by Mikuni India.
- iii. Recommend the CSR Expenditure to be incurred on the CSR activities/programs.
- iv. Institute a transparent mechanism for implementation of the CSR projects and activities. Effectively monitor the execution of the CSR activities.
- v. Prepare an annual report of the CSR activities undertaken for Mikuni India and submit such report to the Board.

7. RESPONSIBILITY OF THE BOARD

- i. Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR 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 Mikuni India and that such activities are related to the activities specified in Schedule VII of the Companies Act.
- iv. Ensure disclosure of the contents of the CSR Policy on the Mikuni India's website.
- v. Directors' Report for FY 2015 onwards to include:
 - (a) Contents of the CSR Policy and Composition of the CSR committee;
 - (b) An annual report on the CSR in the prescribed format as per Appendix- 2;
 - (c) Reasons for failure (if any) to spend required amount on CSR activities.
- vi. Mikuni India shall undertake the CSR activities directly. The Board may, in the future, decide to undertake and implement its CSR activities through a registered trust or registered society or a Section 8 company (Non-profit entity) established by Mikuni Group. In case the trust, society or a Section 8 company is not established by the company or its holding or subsidiary or associate company, then such an entity will need to have a 3 years' track record of undertaking similar projects or programmes.

8. CSR EXPENDITURE

- i. In every financial year, Mikuni India shall spend a minimum of 2% of its average Net Profits in the immediately preceding three (3) financial years. Average Net profits shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Companies Act, 2013; Net Profits shall exclude (a) profits arising from any overseas branch or branches of Mikuni India (whether operated as a separate company or otherwise); or (b) dividend received from other companies in India.
- ii. CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the approved CSR activities.
- iii. CSR Expenditure shall not include expenditure on item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- iv. CSR Expenditure shall not include Projects or programs or activities undertaken outside India.
- v. The surplus arising out of the CSR activities or projects shall not form part of the business profit of Mikuni India.
- vi. Contributions by other Mikuni India's affiliates or employees may also be received and utilized in respect of the CSR activities undertaken.

9. IMPLEMENTING CSR ACTIVITIES

- i. The day to day implementation and execution of the CSR activities/projects shall be headed by the person nominated by the Committee time to time.
- ii. Mikuni India shall undertake the CSR activities directly and also through various implementing agencies such as NGO's, non-profit organizations, etc. Such implementing agencies shall have an established track record as prescribed under the law.
- iii. Some of the initiatives taken up by Mikuni India will facilitate the involvement of Mikuni India's employees as volunteers in ongoing projects and events, giving them an opportunity to engage in socially meaningful activities, thus, enabling them to realize their full potential and role as socially responsible citizens (Employee Volunteer Programs).
- iv. The initiatives undertaken may be communicated to the employees through specific awareness campaigns, so as to enable maximum participation.
- v. Mikuni India may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that each companies are in a position to report separately on such CSR projects.
- vi. The following activities do not qualify as CSR Activities under the Companies Act, 2013:
 - 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 Mikuni India and their families;

- d) Direct or indirect contribution to any political party.
- vii. The CSR activities shall be undertaken in locations within India. Mikuni India shall give preference to the local areas and the areas around which Mikuni India operates while considering the activities to be undertaken and spending the amount earmarked for CSR activities.

10. CSR REPORTING

The Board in its Annual Report shall include the details of the CSR activities undertaken in the Financial Year. The particulars to be stated in the report shall be in the format prescribed in *Appendix -2*.

The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of Mikuni India, which statement shall form part of the Boards' Report.

11. REVIEW AND AUDIT

The CSR committee shall be apprised on the implementation of the CSR activities and the progress shall be monitored from time to time.

Mikuni India shall through its internal controls, monitoring and evaluation systems implement, assess, document and report the impact of its CSR activities/projects.

Records relating to the CSR activities and the CSR Expenditure shall be meticulously maintained. The Records shall be submitted for reporting.

12. AMENDMENTS

The Policy may be reviewed and amended from time to time by CSR Committee subject to power of Board. The amendments shall be reported to the Board of Directors promptly after it



Takayoshi Hoshina
Managing Director
DIN: 08095960

APPENDIX - 1

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 Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects;
3. promoting gender equality and 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 setup 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 of public libraries; promotion and development of traditional arts and handicrafts;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognized sports, and paralympic sports and Olympic sports;
8. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
10. rural development projects
11. slum area development

ANNEXURE - 2

Format for the annual report on CSR activities to be included in the Board's Report
(As per CSR Rules, 2014)

- Brief outline on CSR Policy of the Company: *The Company's CSR Policy is dedicated towards Education, Resource conservation, socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.*
- The Composition of the CSR Committee:

S.No.	Name of Director Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	_____, Director (Chairman)	-	-
2.	_____, Managing Director (Member)	-	-
3.	_____, Whole-time Director (Member)	-	-

- Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company. *The web link of the CSR composition, CSR Committee, CSR Policy, CSR project and contribution made during the financial year _____ is mentioned here <https://mikuni.co.in/company-policies/>*
- Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: *NA*
- Average net profit of the company as per sub-section (5) of section 135.: _____
 - Two percent of average net profit of the company as per sub-section (5) of section 135.: _____
 - Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. *No*
 - Amount required to be set-off for the financial year, if any.: *NA*
 - Total CSR obligation for the financial year [(b)+(c)-(d)]. _____
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): *Amount spent in Other than Ongoing Project is* _____
 - Amount spent in Administrative overheads: *Nil*
 - Amount spent on Impact Assessment, if applicable.: *Nil*
 - Total amount spent for the Financial Year [(a)+(b) +(c)].: *INR* _____
 - CSR amount spent ~~or unspent~~ for the Financial Year: _____

	Amount Unspent (in Rs.)
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Total Amount Spent for the Financial Year. (in Rs.)	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. _____	NA	NA	NA	NA	NA

(f) Excess amount for set-off, if any: *NIL*

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. _/-
(ii)	Total amount spent for the Financial Year	Rs. _/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	<i>Nil</i>
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	<i>Nil</i>

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8	
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any	
					Amount (in Rs)	Date of Transfer		
1	FY-1	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>	<i>NIL</i>	<i>Nil</i>

2	FY-2	N.A.	N.A.	N.A.	N.A.	N.A.	NIL	NIL
3	FY-3	N.A.	N.A.	N.A.	N.A.	N.A.	NIL	NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NO

IF yes, enter the number of capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through corporate social responsibility amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
	[including complete address and location of the property]						
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	N.A.	N.A.	N.A.	N.A.	N.A.		

(All the fields should be captured as appearing in the revenue record, flat no, house no, municipal office/ municipal corporation/ gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: N.A.

SD/-
Chairman/Member

SD/-
Executive Director/Member

SD/-
Managing Director/Member

In case the Company has failed to do the minimum mandated Corporate Expenditure, it shall provide the reasons for doing so in the Board Report.

A responsibility statement of the CSR committee shall also be included in the Board's Report.