

RASHTRIYA METAL INDUSTRIES LIMITED

Corporate Social Responsibility (CSR) Policy

[As envisaged under Section 135 of the Companies Act, 2013
read with Companies (Corporate Social Responsibility Policy)
Rules, 2014]

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INTRODUCTION

According to Section 135 of the Companies Act, 2013 (“the Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company meeting any of the following criteria during the immediately preceding financial year—

- Net worth of ₹500 crore or more,
- Turnover of ₹1,000 crore or more, or
- Net profit of ₹5 crore or more

is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board and undertake CSR activities in accordance with the provisions of the Act

CSR policy of the company has been framed with an objective to provide a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, (if any) and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

As mandated, the Company shall spend at least 2% of the average net profits of the three immediately preceding financial years on CSR activities, as specified in Schedule VII of the Act and in line with its CSR Policy

In compliance with the above requirements **Rashtriya Metal Industries Limited** (“the Company”), has constituted Corporate Social Responsibility (CSR) Committee and formulated a Policy. The objective of this Policy is to provide an overall framework, principles and guidelines to the Company for conducting CSR activities in line with Section 135 of the Act, the Rules and other applicable laws and regulations, as amended from time to time.

Further, the company does not view CSR as a responsibility but rather a duty as a responsible corporate citizen.

CSR COMMITTEE

The Board of Directors of the Company has constituted a committee called the “Corporate Social Responsibility Committee” (“CSR Committee”) in accordance with the provisions of Companies Act, 2013 and rules made thereunder. As part of its initiatives the Company has identified various projects. These projects are in accordance with the Schedule VII of the Companies Act, 2013

The Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India.

Subject to provisions of Companies Act, 2013 and rules made thereunder, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as it deems fit.

The terms of reference of the CSR committee shall be as per the applicable provisions of the Companies Act, 2013, as may be amended from time to time, including such functions as may be entrusted by the Board of Directors from time to time.

GUIDING PRINCIPLE FOR SELECTION OF CSR ACTIVITIES

To provide a focused and structured approach to the CSR program, the company will focus its support and CSR spends on specific predetermined causes and areas of intervention as outlined in the **Annexure I** to the policy. The CSR activities specified under this Policy will be undertaken only in India and the preference shall be given to the local area and/or areas in the vicinity, where the Company operates, for spending the amount earmarked for CSR activities. The Projects / Programmes may be undertaken by the Implementation Agency or the Company directly provided that such projects / programmes are in line with the activities enumerated in Schedule VII of the Companies Act, 2013.

UNDERTAKING CSR ACTIVITIES

The CSR activities of the Company may be undertaken directly by the Company or through the following eligible entities as per the Companies (Corporate Social Responsibility Policy) Rules, 2014:

1. 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, registered under section 12A and approved under 80G of the Income Tax Act, 1961 established by the company, either singly or along with any other company, or
2. A company established under Section 8 of the Act, or a registered public trust or registered society, established by the Central Government or any State Government.; or
3. Any entity established under an Act of Parliament or a State legislature; or
4. 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 12AB and approved under 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

CSR BUDGET

The Board of Director shall endeavor to the best of its efforts that the Company 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. For this purpose, the net profit shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013 read-with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

In an event where the Company makes any surplus arising out of CSR projects, programs and activities, these will not form part of the business profits of the Company but will, instead 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 transferred to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the end of the financial year.

In an event where CSR expenditure is in excess of requirement as per section 135 of Companies Act, 2013, such excess amount may be set-off against the requirement to spend as per Section 135 of Act, up to immediate succeeding three financial years subject to the condition that:

- (a) this excess amount shall not include any surplus arising out of CSR projects; and
- (b) The Board of the Company shall pass a resolution to this effect

In the event, that applicable CSR amount as specified above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per section 134 (3) (o) of the Act to be shared with all the stakeholders through the Annual Report and the unspent amount shall be transferred to any fund included Schedule VII of the Act until such a fund is specified in Schedule VII.

FORMULATION OF ANNUAL ACTION PLAN

- a) The Management shall place before the CSR Committee, as well as before the Board, the Annual Action Plan of the Financial Year which may be amended from time to time as recommended by the CSR Committee and approved by the Board.
- b) Pursuant to Rule 5 of Companies (Corporate Social Responsibility) Rules, 2014, The Annual Action Plan shall include the following, namely:
 - i. The list of CSR projects that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act
 - ii. The manner of execution of such projects or programmes as specified in Rule 4(1) of the Rules;
 - iii. The modalities of utilization 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.
- c) The Board may alter, modify, or amend such plan at any time during the financial year, as per the recommendation of its CSR Committee or by itself as the case maybe based on reasonable justification to that effect. However, the duly modified plan shall be placed before the CSR Committee and Board at the end of the year for its noting.

IMPLEMENTATION AND MONITORING MECHANISM

CSR Committee shall formulate the Annual Action Plan including but not limited to targets as required under the CSR Provisions and provide guidance from time to time on implementation of projects including but not limited to implementation of the projects / programs directly or through entities set up by the Company or other agencies as may be permitted under the CSR Provisions from time to time.

The monitoring of CSR activities of the Company will be undertaken by the CSR Committee of the Board.

The CSR Committee shall discuss the progress of each project undertaken and make any decision with respect to the project which it thinks fits.

The CSR Committee shall monitor the CSR expenditure on periodical basis.

The Committee may require the Company / Implementation Agency to furnish such additional information or reports as it may require.

The members of the CSR Committee may either on their own and through their delegated representatives make periodic visits to the CSR sites to ascertain the progress of the CSR Projects / Programmes

The members of the CSR Committee shall also have the right to inspect and audit the books of accounts, records and other documents of the Company / Implementation Agency pertaining to the CSR activities of the Company, either by themselves or through the aid of external agencies.

An annual report on CSR activities shall be prepared by the CSR Committee on a yearly basis which shall be included in the Annual Report of the Company.

IMPACT ASSESSMENT

If the Company is having average CSR obligation of Rs. 10 crores or more in pursuance of subsection (5) of section 135 of the Act, in the 3 immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having

outlays of Rs 1 crores or more, and which have been completed not less than 1 year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

If Company undertakes impact assessment, it may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two per cent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

MANAGEMENT COMMITMENT

Company will review its policy from time to time based on changing needs and aspiration of the target beneficiaries and make suitable modification as may be necessary.

We believe and act on ethos of generosity and compassion, by a willingness to build a society that works for everyone.

POLICY REVIEW AND AMENDMENT

The CSR policy shall be subject to review/amendment by the Board at the instance of the CSR Committee whenever constituted or Board, as the case maybe. Any amendments in the Act or Rules or any applicable law including any clarifications/ circulars of relevant regulator, if mandatory, shall be read in conjunction with this Policy such that the Policy shall automatically reflect the contemporaneous applicable law at the time of its implementation. In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

ANNEXURE I

CSR ACTIVITIES

The Board of Directors have identified the following areas listed in Schedule VII of the Companies Act, 2013 for carrying out its CSR activities (Hereinafter referred to as 'Identified Areas'):

- 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.
- 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, 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.
- 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;
- 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];
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports
- 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;
- 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
- 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).

- Rural development projects
- Slum area development.

Explanation. - For the purposes of this item, the term '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.
- Such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time.

The Projects / Programmes in the aforementioned Identified Areas would be of a continual nature requiring long-term commitment from the Company for which fixed implementation schedules cannot be specified.

The Projects / Programmes may be undertaken by the Implementation Agency or the Company directly provided that such projects / programmes are in line with the activities enumerated in Schedule VII of the Companies Act, 2013.