



SHYAM FERRO ALLOYS LIMITED

*Corporate Social
Responsibility Policy*

Preamble

Shyam Ferro Alloys Limited (SAFL) believes that growth, success and progress of a Company are not reflected only by its balance sheet but also by its ability to make a positive difference in the lives of people. SAFL intends to make a positive difference to society and contribute its share towards the social cause of betterment of the society and the area in which it operates. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society.

SAFL do not limit itself in using resources only for earnings but also engage in activities which enrich and enhance the lives of everyone around it. In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large.

SFAL believes that in alignment with its the vision, will continue to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, especially the needs of communities residing in the vicinity of its facilities. The CSR policy of the Company has been prepared keeping in mind the Company's business ethics and to comply with the requirements of the Companies Act, 2013 and the Companies (Companies Social Responsibility policy) Rules, 2014.

Objective

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility. The Policy will function as a built-in, self regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms.

Corporate Social Responsibility Committee

Composition and Meetings :-

The Corporate Social Responsibility Committee shall consist of three or more Directors amongst which at least one shall be an Independent Director.

The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy. The members would strive to hold atleast one

meeting in a financial year. The composition of CSR Committee shall be disclosed in the Board's report.

Role of CSR Committee :-

The role of CSR Committee is

- (a) to Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by SFAL as specified in Schedule VII of the Companies Act 2013 (the Act);
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- (c) Monitor the Corporate Social Responsibility Policy of SFAL from time to time.
- (d) Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of SFAL

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, undertake any of the following activities, as part of its corporate social responsibility initiative, which are defined in Schedule VII of the Companies Act 2013;

- ❖ Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- ❖ 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;
- ❖ Measures for the benefit of armed forces veterans, war widows and their dependents;
- ❖ Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

- ❖ Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ❖ Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- ❖ Rural development projects
- ❖ Slum area development.
- ❖ Such other activities as the Board may consider to be appropriate

Preference shall be given to local area and areas around SFAL for spending the amount earmarked for CSR.

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for SFAL and disclose its contents in their report and also publish the details on SFAL's website, if any, in such manner laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

IMPLEMENTATION AND MONITORING

- ❖ For achieving its CSR Initiatives and Activities through implementation of meaningful & sustainable CSR programs, the Company needs to allocate, in every financial year, at least 2 % (two per cent) of the average net profit made by the Company during the three immediately preceding financial years.
- ❖ SFAL may set up a Trust or Section 8 Company or Society or Foundation or any other form of entity within India in order to facilitate the implementation of its CSR projects and / or programmes.
- ❖ SFAL may also undertake the implementation of its CSR projects and / or programmes through Trusts, Societies or Section 8 Companies operating in India, which are not set by SFAL and who have an established track record of three years in undertaking similar programs or projects.
- ❖ SFAL may also collaborate or pool resources with its Group Companies or any other Company(ies) to implement its CSR projects and/or programmes.
- ❖ The CSR committee, constituted by the Board of Directors of the Company, would recommend to the Board of Directors, the projects and/or programmes which are to be undertaken by SFAL and shall also recommend the modalities of execution in the areas/sector chosen and implementation schedules for the same.
- ❖ The implementation of the projects and/or programmes would be monitored as per the monitoring mechanism prepared and set up by the CSR Committee. The

primary function of the monitoring mechanism would be to ensure that the allocation are spent for the intended purpose and are spent in India only.

- ❖ SFAL may build CSR capacities of their own personnel as well as of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed 5 (five) percentage of the total CSR expenditure of SFAL in a financial year.
- ❖ If in case the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the prescribed amount.
- ❖ The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- ❖ CSR expenditure shall include all expenses including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of CSR Committee, but should not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Schedule VII of the Act.
- ❖ CSR initiatives of SFAL will be reported in the Annual Report of SFAL & the Board's Report in compliance with Section 135 and rules made thereunder.

GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

SFAL reserves the right to modify, add, or amend any of these Policy Rules/Guidelines.