



SHYAM METALICS AND ENERGY LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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1. INTRODUCTION:-

In accordance with the notification issued by The Ministry of Corporate affairs dated 27th Feb 2014 under section of 135& Schedule VII of the company act 2013, the Company Corporate Social Responsibility (CSR) is enunciated. {Copy enclosed}.

Key policy-Clause: -

Shyam Metalics focus areas for developmental activities will be in urban and rural areas in the states in which it is located. The company may also support initiatives in other geographies, as approved by the CSR committee of the Board, from time to time. Company will ensure that all communities benefited from our CSR activities and would focus on those groups which are socially and economically underprivileged. These would include women, girls and scheduled castes and tribes.

2. VISION:-

To actively contribute to the social & economic development of the community in the state, where the company operate and in so doing build a better sustainable way of life for the weaker and socially backward, underprivileged section of society and to raise the country's human development index.

3. OBJECTIVES:-

The objective of the policy is to define Shyam Metalics& Energy ltd. and other Group Company's CSR approach in alignment with section 135 of the Companies Act, 2013 to be read with applicable rules.

4. IMPLEMENTATION PROCESS:-

- a) The investment in CSR should be plant/project based and for every project time framed periodic milestones should be finalized at the outset.
- b) All projects are identified in consultation with a community in a participative manner, literally sitting with them gauging their basic needs.
- c) To recourse to the participatory rural appraisal mapping system.
- d) Based on continuous discussion with village panchayat/Sarpanch/Local Govt. Authority and other stakeholders, projects are to be prioritized.
- e) Arising from this the focus areas that have immerged are Education, Healthcare, sustainable livelihood, Infrastructure development and espousing social causes, poverty, malnutrition, sanitation& making available of safe drinking water.
- f) All the program, community projects are to be carried out under the aegis of **"SHYAM METALICS FOUNDATION."**

The activities would in the line with schedule vii of the Companies Act, 2013 as indicated as under.

5. CSR ACTIVITIES/ FOCUS AREAS:-

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 and Schedule VII of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014.

A. EDUCATION:-

- Promoting education including special education
- Quality elementary education
- Non formal education
- Employment enhancing vocational skills especially among children, women, and elderly.
- Social Empowerment program for girls.
- Special educational training courses for backward caste.
- In education company's endeavor will be to spark the desire for learning and knowledge at every state through formal schools, Quality elementary education, and Non formal education.

B. HEALTHCARE:-

Company health care goal is to render quality healthcare facility to people living in and around the village situated within the periphery of plant project or elsewhere through

- Hospital
- Primary health care center
- Mother & Child care project
- Immunization Program with a thrust to polio eradication program to address malnutrition
- Anganwadis, Adolescence, Health
- Healthcare to visually impaired & differently abled
- Preventive healthcare through awareness program on non-communicable disease.

C. SPORTS:-

Training to promote sports:

- Rural Sports, District level Sports, State level sports.
- Nationally recognized sports
- Para Olympic Sports
- Olympic Sports
- Scholarship Program for backward cast and differently abled athletes.

D. SUSTAINABLE LIVELIHOOD:-

In this Program the company aim to provide livelihood in a locally, appropriate and environmentally sustainable matter through formation of self-help group for women empowerment. Formation of self-help group to women empowerment would be as under.

- Skill enhancement and vocational training IT.
- Partnership with ITI.
- Animal Husbandry and Welfare
- Soil and Water Conservation.
- Watershed Development.
- Agro

E. INFRASTRUCTURE DEVELOPMENT:

Company endeavor to set up the essential service that form the foundation of sustainable development through these:

- Basic Infrastructure Facility.
- Housing Facility.
- Safe drinking Water.
- Sanitation Hygiene.
- Renewable source of energy.
- Activities, setting measurable target with time frame and performance measurement.
- Prior to the commencement of the project, as under:
- To identify the village within a radius of 8-15 kms of the Factory operating where the CSR projects will be undertaken.
- The company to take all actions to comply the provisions of section 135 of the company's Act, 2013 and the rules made there under.
- To measure the impact of the work done during the year and for social satisfaction a social Audit/Impact measurement study is to be carried out by the third party.
- Report of the social audit is to be placed in the BOD for information.

F. EXCLUSION FROM CSR

The following activity shall not form part of the CSR activities of the Company:-

- The activities undertaken in pursuance of normal course of business of a company.
- CSR projects/programs or activities that benefit only the employees of the Company and their families.
- Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes.
- Any CSR projects/programs or activities undertaken outside India

6. SCOPE AND FOUNDATIONS OF CSR COMMITTEE.

The CSR committee will recommend and approve a formal CSR Policy for the company. Under the CSR policy, the committee will recommend particular CSR activities set forth a budget, describe how the company will implement the project and establish a transparent measure to monitor progress.

7. FUNDING AND TREATMENT: -

- a) As per the regulations company will set aside, for annual CSR activities, an amount not less than 2% of the average net profits of the Company made during the three immediately preceding financial years.
- b) The tax treatment of CSR spent will be in accordance with the Income Tax Act, 1961 as may be notified by the Central Board of Direct Taxes.
- c) If the Company fails to spend the prescribed CSR amount, the Board shall, in its report, specify the reasons for not spending the amount and unless the unspent amount related to the 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.

- d) If the Company spends an amount in excess of the requirements then such Company may set off such excess amount against the requirement to spend for such number of succeeding Financial Years and in such manner as may be prescribed.
- e) Any prescribed CSR amount remaining unspent pursuant to any ongoing project, undertaken by a Company in pursuance of its CSR Policy, shall be transferred by **the** Company within a period of Thirty days (30 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 CSR 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 Third Financial Year.

8. BUDGET:-

The Company Board of Directors shall ensure that in each financial year the Company spends at least 2% of the average Net Profit calculated u/s 198 of the Act, made during the three immediate preceding financial years. This budget is project/program driven.

9. PARTNERSHIP.

Collaborative Partnership is to be formed with the help of Government and District Authorities, the village Panchayat, NGO and likeminded stakeholders.

This help widens the company CSR to reach and leverage upon the collective expertise wisdom experience that there partnership bring to the table.

The Company shall endeavor to make all CSR spending through the hands of Shyam Metalics Foundation for ease of administration, but shall not restrict itself from direct spending too.

10. INFORMATION DISSEMINATION

The company engagement in this domain is disseminated in its website at www.shyammetalics.com.

11. TO CARRY OUT BASELINE SURVEY OF CONCERN VILLAGE ON THE FOLLOWING PARAMETERS:

- a) Health Care.
- b) Literacy level.
- c) Sustainable livelihood process.
- d) Population Data
- e) Below poverty line & Above poverty line

11. POLICY PLAN.

- a) 1 year plan.
- b) 2 year plan.
- c) 5 year plan.

- Are to be developed for logistic and integrated development marginalized.
- The plans are to be presented in the annual planning, and Budget meeting.
- All Projects/ programs Identified\assumed under the agreed strategy and etc. are to be monitored & measured every quarter against the target and budget.
- Whenever necessary midcourse correction are affected.
- The surplus arising out of the project program does not form a part of business profit of the company.

12. MANAGEMENT COMMITMENT

Our Board of Directors, our management and all our employees subscribe to the philosophy of compassionate care. For under privileged and weaker section of society and land losers. The belief and act on ethos of generosity and Compassion, characterized by willing less build a society that works for everyone.

13. ORGANISATIONAL MECHANISM RESPONSIBILITY.

A. CSR Committee:

- The CSR Committee shall consist of **three** Directors, who shall meet at least twice in a year to discuss and review the CSR activities and policy. The Chairperson and members of the committee are as follows.
- THE SHYAM GROUP of Company provides the vision under the leadership of the Chairman emeritus, Mr. Mahabir Prasad Agarwal. The CSR committee of Directors of the group companies shall consist of Directors (both Independent and Non-Independent) of the respective companies. The details of the composition of the CSR committee are as follows:
 - Mr. Mahabir Prasad Agarwal – Non Executive Director
 - Mr. Brij Bhusan Agarwal – Executive Director
 - Mr. Ajay Choudhary – Independent Director
- The CSR Committee shall be responsible for formation of CSR policy and regular monitoring & Implementation of CSR policies.
- All projects/programs are to be placed before the CSR committee, specify modalities of execution of identified such project/programs and the implementation schedule.
- A robust implementation structure, monitoring process and team of professional to be placed at the Plant/Project level.
- To take all action to comply with section 135 of the company Act 2013 and the rules made there under.
- To measure the impact of the work done and for social satisfaction a social Audit/ Impact measurement study to be carried out by the third party.

- B. Dedicated CSR team shall be constituted at Corporate Office to monitor the implementation of the CSR policies.**
- C. Implementation of CSR policy through KRA & Key performance indicators { KPIs} to keep track at corporate level and operational plant/ project level**
- D. Develop annual operational plan {AOP} and target against each KPI.**

14. REVIEW/ AMENDMENTS TO THE POLICY:-

The board of Directors on its own and/or on the recommendation of CSR committee can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision /amendment in accordance with the regulations on the subjects as may be issued from relevant statutory authorities, from time to time.