

**1. PREFACE**

- a) SHIV AUM STEELS LIMITED (“the Company”) was incorporated on 11<sup>th</sup> March, 2002 under the Companies Act, 1956. It is committed to improve the lives of the society in which it operates. The Company believes in “looking beyond business” and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis- à-vis the company’s responsibilities towards the community.
- b) The Ministry of Corporate Affairs, has, vide its notification dated February 27, 2014 made the provisions of section 135 of the Companies Act, 2013 and Schedule VII of the said Act relating to Corporate Social Responsibility applicable to the Company with effect from 1st April, 2014. The Companies (Corporate Social Responsibility Policy) Rules 2014 (“CSR Rules”) are notified on 27th February, 2014 and are effective from 1st April 2014.
- c) The Companies Act, 2013 vide sub-section (1) of section 135 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 makes it mandatory for the Board of Directors of a prescribed class of companies to constitute a Corporate Social Responsibility Committee which is entrusted with certain duties in alignment with the objectives of corporate social responsibility.

**2. OBJECTIVE**

- a) The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

**3. DEFINITIONS**

Some of the key terms used in the Corporate Social Responsibility Policy are as under:

- a) ‘Act’ means the Companies Act, 2013 including any amendments as may be applicable from time to time.
- b) ‘Average Net Profit’ means net profit as computed in accordance with section 198 of the Act.
- c) ‘Board’ means the Board of Directors of Pradeep Metals Limited or the Company.
- d) ‘Corporate Social Responsibility (“CSR”)’ means and includes but is not limited to:-
  - i) Projects or programs relating to activities specified in Schedule VII of the Act; or
  - ii) Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the Corporate Social Responsibility Committee of the Board as per this policy of the Company and will cover subjects enumerate in Schedule VII of the Act.
- e) ‘CSR Activities’ means the activities which may be included by the Company in its CSR Policy in accordance with Schedule VII of the Act.

- f) 'CSR Committee' means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- g) 'CSR Policy' means the Corporate Social Responsibility Policy of the Company formulated and recommended by the CSR Committee to the Board of the Company.
- h) 'Net Profit' as defined in the said CSR Rules means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act. Net profit means net profit before tax as per books of accounts of the Company and shall not include profits arising from branches outside India.
- i) Word and expressions used and not defined in the Rules but defined in the Act shall have the same meaning respectively assigned to them in the Act.

#### **4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

##### **➤ Constitution**

- a) CSR Committee shall be formed by the Board of the Company. It shall consist of three or more directors, out of which at least one director shall be independent director.
- b) The Board shall nominate directors as members of the CSR Committee from time to time.
- c) Post conversion to a Public Limited Company and appointment of Independent Directors on the Board of the Company, the CSR Committee was re-constituted on 7<sup>th</sup> June, 2019 as under :

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Jatin Mehta	Chairman & Whole - Time Director	Chairman
Mrs. Vanita Bansal	Non-Executive & Non- Independent Director	Member
Mr. Sunil Sharma	Non-Executive & Independent Director	Member
Mr. Suryakant Mehta	Non-Executive & Independent Director	Member

➤ **Meetings**

- a) The CSR Committee shall meet as frequently as it determines necessary but at least once annually.
- b) The CSR Committee shall maintain minutes of each of its meetings.
- c) The CSR Committee shall review proposed projects and make recommendations to the Board for approval of such projects and allocation of Funding in accordance with the CSR Committee charter.
- d) The final decision with regards to the acceptance or rejection of a CSR Proposal shall be with the Board.

➤ **Decisions**

- a) The CSR Committee shall at all times act in a manner that is consistent with the provisions contained in this CSR Policy, the Act and CSR Rules.
- b) The CSR Committee shall endeavour to arrive at all decisions by a consensus of all members. However, in the event the CSR Committee is unable to arrive at such a consensus, the Chairman of the Committee may make the final decision.
- c) The decisions of the CSR Committee may be ratified by the Board.

**5. DUTIES OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The CSR Committee shall:

- a) Formulate CSR Policy and recommend the same to the Board of the Company for approval;
- b) Recommend CSR Activities as specified in Schedule VII of the Act including any amendments or modification from time to time as applicable;
- c) Approve to undertake CSR Activities in collaboration with group companies or other companies or non-governmental organizations and to separately report the same in accordance with the CSR Rules;
- d) Recommend the amount of expenditure to be incurred on the CSR Activities stated in 6(e) ;
- e) Spend the allocated CSR amount on the CSR Activities once it is approved by the Board of the Company in accordance with the Act and the CSR Rules;
- f) Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- g) Monitor and ensure that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of a Company;

- h) Formulate a transparent mechanism for ensuring implementation of the projects, programs or activities proposed to be undertaken by the Company or the end use of the amount spent towards CSR Activities;
- i) Ensure that all the income accrued to the Company by way of CSR Activities is credited back to the CSR corpus;
- j) Approval of the responsibility statement relating to implementation and monitoring of CSR Policy in compliance with CSR Objectives and CSR Policy of the Company and submit reports to the Board in respect of CSR Activities undertaken by the Company;
- k) Review and ensure compliance with the requirements of the provisions of the Act, CSR Rules and periodical disclosure requirements;
- l) Authorise executives of the Company to attend the meetings of the CSR Committee

#### **6. CSR ACTIVITIES – IMPLEMENTATION AND MONITORING**

- a) The CSR Activities shall be undertaken by the Company as per this policy by way of projects or programs or activities (either new or ongoing) in India, excluding the activities undertaken in pursuance of the normal course of business. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR Activities.
- b) The Board may decide to undertake CSR Activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the company or subsidiary or associate company under Section 8 of the Act or otherwise and subject to conditions as specified in the CSR Rules.
- c) The Company may also collaborate with other companies for undertaking projects or programs or CSR Activities in such a manner that the CSR Committee of respective companies are in a position to report separately on such projects or programs in accordance with the CSR Rules
- d) CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR Activities, approved by the Board on the recommendation of CSR Committee, but shall not include
  - any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.
  - CSR projects or programs or activities that benefit only the employees and their families.
  - Contribution of any amount directly or indirectly to any political party under section 182 of the Act.

e) CSR Activities include:-

- 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 vocational 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 centres 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;
- training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- contribution to the prime minister's national relief 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;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- rural development projects
- slum area development.
- disaster management, including relief, rehabilitation and reconstruction activities

f) The list of CSR projects or programs which the Company plans to undertake will fall within the purview of schedule VII of the Act.



**7. AMOUNT OF CSR EXPENDITURE**

The Board shall ensure that the Company spends, in every financial year, at least two percent of average net profits of the Company made during the three immediately preceding financial years, in pursuance of this CSR Policy. If the Company fails to spend such amount, the Board shall, in its report made under Section 134 (3) (o) of the Act specify the reasons for not spending the amount.

**8. DISSEMINATION OF INFORMATION:**

- a) The CSR Committee shall report to the Board of the Company, on annual basis, the status of the CSR Projects or CSR Activities undertaken along with the report on the impact created by such projects or activities in compliance with the law.
- b) The Company shall disclose the contents of the CSR Policy in its Board's report in the format given in the CSR Rules and the same shall be displayed on the Company's website viz [www.shivaumsteels.com/Investors/Policies](http://www.shivaumsteels.com/Investors/Policies)

**9. AMENDMENT TO CSR POLICY :**

- a) This CSR Policy is constituted under the provisions of the said Act and CSR Rules. In the event of any dispute between the contents of this CSR Policy and Act and CSR Rules, the provisions of Act and CSR Rules will be made applicable to the matter. This CSR Policy shall stand amended in accordance with the amendments in the said Act and CSR Rules from time to time.
- b) Any amendment to this CSR Policy will be in writing except as stated in 9(a) above.

**10. APPROVAL :**

The CSR Policy was approved by the Board of the Company at its meeting held on 16<sup>th</sup> October, 2018 on the recommendation of the CSR Committee of the Company and later, after the Conversion of the Company into a Public limited company and appointment of Independent Directors, it was amended and approved on 22<sup>nd</sup> July, 2019.