



**SREE METALIKS LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY  
(CSR) POLICY**

## **PREAMBLE**

Corporate Social Responsibility is a Company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. This commitment is beyond statutory requirements. Corporate Social Responsibility is, therefore, closely linked with the practice of Sustainable Development. Corporate Social Responsibility extends beyond philanthropic activities and reaches out to the integration of social and business goals. These activities need to be seen as those which would, in the long term, help secure a sustainable competitive advantage.

## **OBJECTIVES**

SML CSR Policy intends to:

- Strive for socio-economic development that positively impacts the society at large.
- Encourage a positive impact on society, communities, stakeholders through its activities for health & education.

## **IN LIGHT OF COMPANIES ACT, 2013 & GUIDELINES OF SEIAA (STATE ENVIRONMENT IMPACT ASSESSMENT AUTHORITY, ODISHA)**

Pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having net worth of Rs. 500 Crore or more or turnover of Rs. 1,000 Crores or more or net profit of Rs. 5 Crores or more during the Immediately preceding financial year shall constitute Corporate Social Responsibility Committee ('CSR Committee') and the CSR Committee shall:

- a) formulate and recommend the CSR Policy which shall indicate the activities to be undertaken by the company as prescribed,
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a),
- c) monitor the Corporate Social Responsibility Policy of the company from time to time.

This Policy on Corporate Social Responsibility (CSR Policy) has been formulated by the CSR Committee and then was recommended to the Board of Directors of the Company (Board) for its approval. The Board at its meeting held on 14<sup>th</sup> March, 2020, approved and adopted the CSR Policy with immediate effect.

The Companies Act, 2013 further provides that the Board of every company referred to, in to which Section 135(1) applies, shall ensure that the company spends, in every financial year, at least two percent, of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy; Provided that the company shall give preference to the local area and areas around it operates, for spending the amount earmarked for CSR activities; Provided further, if the Company fails to spend such amount, the Board shall, in its report made under clause (o) of the sub- section (3) of the section 134, specify the reasons for not spending the amount.

## **OBJECTIVES OF THE POLICY**

This Policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended/notified from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of the Regulations to dedicate a percentage of Company's profits for CSR activities.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

## **DEFINITIONS**

In this Policy unless the context otherwise requires:-

- a) 'Act' means the Companies Act, 2013;
- b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and Companies Corporate Social Responsibility Policy) Rules, 2014;
- c) 'Ministry' means the Ministry of Corporate Affairs
- d) 'Net Profit' means net profit as defined in Section 135 and 198 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as set out below:  
Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
  - i. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
  - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
- e) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

## **CSR ACTIVITIES**

SML CSR initiatives focus on development of communities and to create social, environmental and economic value to the society. The Corporate principles of the Company are committed towards sustainable development and inclusive growth. The Company constantly strives to ensure a strong corporate culture to pursue initiatives related to Quality management, environment preservation and social awareness.

To pursue its CSR objectives, the Company outlined its scope as under:

### **A. KEY FOCUS AREA**

- Pursue CSR programs primarily in the areas that fall within the economic vicinity of the Company's presence to ensure close supervision and maximum development impact.
- Promote education for underprivileged children with learning opportunities through supply of educational materials, teaching aids, recreational tools, scaling up school infrastructure.
- Pursue health care and educational development in several areas with focus on mother, child, (especially abled, visually impaired & others) providing healthcare, conduct of periodical health camps for physically challenged children.

### **B. OTHER AREAS**

- Enhancing environmental and natural capital to create awareness of harmony in the environment.

- Initiative for a clean environment through awareness programmes, plantations and green belt development programme.
- Ensure environmental sustainability by adapting best ecological practices and encouraging Conservation /judicious case of natural resources.
- Grant donation/financial assistances/sponsorship to reputed Charitable Institutions, organization and NGOs of the society involve in upliftment of the standard of the society

#### **COMPOSITION OF CSR COMMITTEE**

The CSR Committee has been constituted consist of Chairman Mr. Vijay Kumar Gupta and two members Mr. Sanjiv Saklani and Ms. Nalini Agarwal with one of them being an Independent Board member. The Committee will meet at least once in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.

The role of the CSR Committee is as follows:

- Formulating and recommending to the Board a Corporate Social Responsibility Policy and activities to be undertaken by the Company.
- Recommending the amount of expenditure to be incurred on the activities undertaken.
- Reviewing the performance of the Company in the area of Corporate Social Responsibilities.
- Providing external and independence oversight and guidance on the environmental and social impact of which the Company conducts its business.
- Monitoring the Corporate Social Responsibility Policy of the Company from time to time.

The committee is responsible for the implementation of the CSR policy of the Company. The Committee constituted a Corporate Management Group for monitoring implementation of the approved CSR plan on continuous basis and apprising the members at regular interval.

#### **SCOPE OF FUNCTIONS OF CSR COMMITTEE**

The function of the CSR Committee will be to formulate and recommend to the Board, the activities to be undertaken by the Company and the amount of expenditure to be incurred on these activities.

#### **PROCEDURES:**

##### **A. FUNDING**

As per the Regulations the Company will make available as and when requested, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years.

##### **B. ORGANIZATIONAL/IMPLEMENTATION MECHANISM**

1. Corporate Management Group of SML will deal with all activities related to CSR. Consultants with required competency and experience shall also be hired from time to time for identified projects to be in-charge of implementation of the projects.
2. SML may take up the projects directly or through any of the reputed NGOs or any other agency/respective district authorities as may be decided with the approval of Board.
3. The CSR committee constituted by the Board of Director periodically monitors the specific CSR projects.

### **C. REVIEW AND REPORTING**

1. The Committee shall formulate policy including the activities specified in Schedule VII.
2. The Board shall disclose the content of policy in its report and place on website, if any of the Company.
3. If the Company fails to spend such amount the Board shall give in its report the reasons for not spending.
4. The Company will report, the details of CSR initiatives and activities of the Company in the Directors' Report.

### **AMENDMENTS TO THE POLICY**

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as may be required from time to time.

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