



**Evonith Metallics Limited (“EML”)
(Formerly Uttam Galva Metallics Limited)**

Corporate Social Responsibility (CSR) Policy

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Preamble

In pursuance of Section 135 of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with the rules made thereunder, the Company which fulfills the criteria specified in the Act, is required to adopt the Corporate Social Responsibility (CSR) policy in the organization to add sense of responsibility and contribution among corporates which is expected to be beneficial to the different classes of people towards which such CSR activities may be focused.

Our Company believes that the policy is beneficial to the society at large by promoting and encouraging economic, social and educational development and also giving active support to local initiatives around its area of operation thereby promoting upliftment of people in varied arenas of life.

Produced here below is the “Corporate Social Responsibility (CSR) Policy” to contribute more and more to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index.

Vision

To achieve Business goals in tandem with the Corporate Social Responsibility.

Mission

To contribute towards ensuring sustainable development by empowering citizens with better health, education.

Objective

The objective of the policy statement is to cover the Company’s philosophy towards its CSR and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

“Corporate Social Responsibility (CSR) as per Section 135 of the Act”

It means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
- (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

CSR Focus Areas

The Company follows a holistic and integrated approach that is community-led and -managed.

Key focus areas of our interventions include strengthening rural education, provisioning of healthcare and strengthening of public health system, helping communities to access basic sanitation & promoting hygiene considering emerging requirements.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Access to Healthcare & Nutrition

- Support initiatives in healthcare domain focussing on research, quality, accessibility and awareness based on community need and emerging requirements.

Community Development

- Support local community initiatives focussing on rural and urban development based on the identified needs.

Sustainable Livelihood

- Promoting education including providing and maintenance of need-based infrastructure aiming to sustainable livelihood.
- Support initiatives focusing on Deaf & Dumb Schools, Old age homes.

Other Initiatives

- To undertake other need-based community development initiatives in compliance with Schedule VII of the Companies Act, 2013.

Corporate Social Responsibility (CSR) Committee

- The Board constituted CSR Committee, shall be responsible for the decision making with respect to the Company's CSR policy.
- CSR Committee shall recommend the CSR policy to the Board of Directors, and Board of Directors shall approve the Company's CSR policy.
- The CSR Committee shall formulate and recommend to the Board, an annual action plan consisting of the following:
 - a. The list of CSR programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. The manner of execution of such programmes;
 - c. The modalities of utilization of funds and implementation schedules for the programmes;
 - d. Monitoring and reporting mechanism for the programs; &
 - e. Details of need and impact assessment, if any, for the programs undertaken by the Company.

Provided that Board may alter the Annual Action plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

The CSR Committee shall meet regularly to review the implementation of CSR programs/programmes and give suitable direction.

Selection and Implementation

- The Company, on the recommendation of the CSR Committee, will identify indicative projects/activities in line with the CSR vision and mission of the Company amongst areas/activities covered under Schedule VII of the Companies Act, 2013 ('the Act').
- The CSR Committee will formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy
- The CSR Budgets to be spent will be authorized by the CSR committee/Board Members. In case amount is already spent towards CSR by the management, the same can be ratified on the recommendation of the CSR Committee, by the Board of Directors based on the reasonable justification to that effect.

- CSR Committee will formulate the procedures for processes, practices, programs and activities that ensure the teams implement the CSR strategy
- CSR program will be undertaken by the Company within the defined ambit of CSR policy.
- The time period/duration over which a particular program will be vary as per theintended impactof the program with clearly identifying Ongoing Projects.

“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable

justification;

- The Company will enter into partnerships with the government, business partners and communities to create scalability potential of its social projects over long term
- The Company undertake CSR Projects/ activities directly.
- The Company may further engage with other NGO partners, government bodies and social institutions, from time to time, qualifying the conditions prescribed under the Act, as amended from time to time, which inter alia currently includes that our implementing partners are registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961) and with the Ministry of Corporate Affairs, by filing form CSR 1;
- The Company will select its partners after appropriate due diligence and yearly disclose their CSR Registration numbers in annual CSR reports, if any.
- The Company may use services of expert agencies, consultancy firms, international organizations etc. wherever required for carrying out surveys, guidance on project design, capacity building, implementation and audits.

Monitoring

- Need based assessments will be conducted before the commencement of the projects.
- Monitoring will be done against the agreed deliverables at regular intervals.
- Our monitoring process will ensure that all allocated CSR corpus is spent for only the intended purpose within the approved timelines.
- For the CSR projects, the CSR Committee of the Company shall take on the role of the mentor, while the ultimate responsibility of ensuring successful and time bound implementation of the CSR projects will remain with the board of directors of the Company.
- The board of directors of the Company shall ensure that the funds disbursed for the CSR Projects identified have been utilised for the purpose and in the manner allocated approved by it.
- Impact assessments will be conducted to review qualitative and quantitative impact on communities, if required under the Act.
- The Company through the CSR Committee shall annually analyze the applicability of impact assessment and compliance in this regard in accordance with the Companies (Corporate Social Responsibility) Rules, 2014, as amended.

Mandatory Impact Assessment:

- (a) Every company having average CSR obligation of ten crore rupees or more in pursuance of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- (b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- (c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

- The Company through the CSR Committee shall ensure that the administrative overheads² shall not exceed 5 percent of total CSR expenditure of the company for the financial year or such other limit as may be prescribed under the Act.

“Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

Budgets

- The Board of Directors of the Company shall ensure that a minimum of 2% of the average net profits of the 3 (three) immediately preceding financial years is spent on CSR initiatives undertaken by the Company. The "net profit" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013.
- All projects will be presented and approved at the annual planning and budgeting meet.
- Any surplus arising out of the CSR activities will not be a part of the business profits of our company and shall be ploughed back into the same project or shall be transferred to a separate account named as “Unspent CSR Account” which can be spent in pursuance of this CSR Policy and the annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Act within a period of six months of the expiry of the financial year.
- *Excess spending:*

Where the Company spends an amount in excess of CSR obligation required under the Act, subject to passing of Board resolution, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding three financial years.

- *Under spending:*

The unspent CSR amount pertaining to an annual CSR project shall be transferred to any fund included in Schedule VII of the Act such as Prime Minister's National Relief Fund, Swachh Bharat Kosh or any other fund specified by Central Government in this regard under the Act, within 6 (six) months from the end of concerned financial year.

If the unspent CSR amount pertains to an Ongoing CSR Project³, the amount has to be transferred to a separate bank account to be called as "Unspent CSR Account" within 30(thirty) days of the end of the concerned financial year and is to be spent on CSR obligations as per its CSR policy within a period of 3 (three) financial years.

In case the Company is unable to spend the CSR obligation on the Ongoing CSR project within the prescribed period of 3 (three) financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act within 30 (thirty) days of the end of the concerned financial year.

Governance

The CSR Committee of the Board will be responsible for governance of CSR initiatives. The CSR Committee will review and monitor the timely implementation of the projects and programs, utilisation of the funds disbursed by the Company to its implementing partners. The CSR Committee, may appoint such professionals, firms, agencies, etc., as it may deem fit, for effective monitoring/ evaluation/ implementation/ designing of the programs and projects of the Company, including appointing an agency that would carry out an impact assessment study of the projects, if so required under the Act or deemed necessary by the Committee.

Formulation of annual action plan

The CSR Committee shall formulate the annual action plan, in each financial year and recommend the same to the Board. The CSR Committee and the Board shall adhere to the following guidelines while formulating/ approving the annual action plan for each financial year:

- Evaluation of CSR activities of the preceding financial year: The achievements and drawbacks of the CSR projects/ activities undertaken in the previous financial year shall be considered and the annual action plan shall be prepared accordingly.
- Identifying projects/ activities for the current financial year: The CSR Committee will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the organisation.
- The CSR Committee shall endeavour to formulate and approve the annual action plan before the commencement of the financial year based on projected financials and finalise the same and recommend it for the Board's approval before the end of the first quarter in every financial year. Any delay in preparation and approval of the action plan can be ratified by the Board.
- The CSR Committee shall include a description of the identified activities and the sequence in which they will be undertaken by taking into consideration organizational readiness, strategies, financial and procurement management, etc., disbursement and utilization plans for the unspent amounts from previous years during the current financial year and disbursement and utilization plan for funds for the relevant (concerned) financial year,

- Any amendment to the annual action plan shall be recommended by the CSR Committee and approved by the Board.

Reporting of CSR Initiatives

Our engagement and the composition of CSR committee will be disseminated via CSR report forming part of the Director's Report of the Company.

Management commitment

The management and employees are committed towards achieving the goals of the CSR policy.

General

In all circumstances the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, as amended by the Govt. of India from time to time, shall prevail over any other rule/ convention/ best practice and above this policy and the same shall be adhered to by the Company.

The Policy would be subject to review by the Board of Directors of the Company from time to time, to incorporate and to amend, as necessary.