

# **USHA MARTIN LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. INTRODUCTION**

The value underpinning all business and social actions at Usha Martin is to serve the society, ensuring that all its programs integrate economic, environmental and social performance drivers. Usha Martin's focus remains steadfast on the efficient deployment and utilization of resources - people, processes and materials whilst its operations and presence lead to an improvement in the quality of life of the communities it serves.

The Company has always sought to address the social, economic and environmental concerns for inclusive growth and capacity building measures for all its stakeholders through its Corporate Social Responsibility (CSR) activities. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

### **2. OBJECTIVE**

The objective of Usha Martin's CSR Policy is to ensure that the levels of economic, legal, ethical and discretionary activities of Usha Martin is in line with the values as set out under Section 135 of the Companies Act, 2013 ('Act'), Companies (Corporate Social Responsibility) Rules, 2014 ("CSR Rules") and Schedule VII of the Act ("Schedule VII") as amended from time to time.

### **3. COMPOSITION OF CSR COMMITTEE**

The Company has a CSR Committee ('Committee') which has been formed as per the Act and CSR Rules made thereunder which is responsible for the implementation/monitoring and review of this policy and various projects / activities undertaken under the policy. The composition of the Committee is decided by the Board of Directors ('Board').

### **4. RESPONSIBILITIES OF CSR COMMITTEE**

The CSR Committee of the Company shall be responsible to:

- a) Formulate and recommend to the Board the CSR Policy and indicate activities to be undertaken by the Company in accordance with applicable laws;

- b) Formulate and recommend to the Board, the projects and programmes to be undertaken as part of the annual CSR plan (“Annual Plan”) of the Company, in accordance with CSR Policy of the Company along with the annual budget allocation and details of proposed expenditure allocation in respect of each project and activity identified in the Annual Plan;
- c) Monitor CSR activities and report the same to the Board from time to time.

## **5. CSR FUND USAGE**

- a) Usha Martin shall allocate its CSR funds each financial year in accordance with the applicable laws for the activities as specified in Annexure A and shall retain no such amount for its own use or in its own accounts.
- b) The Company shall spend at least 2% of its average net profits during the 3 (three) immediately preceding financial years (‘Mandatory Allocation’) to undertake CSR activities and shall ensure that any surplus arising from such activities shall also be spent on activities specified under this Policy and the Annual Plan.
- c) For the avoidance of doubt, the CSR activities of Usha Martin shall not include: (i) direct or indirect contributions of any of the CSR funds to any political party; (ii) any CSR activities or CSR projects otherwise conducted in the ordinary course of business of Usha Martin; or (iii) any CSR activities or CSR Projects conducted solely for the benefit of employees or their families.
- d) The Company may undertake its CSR activities approved by the CSR Committee, through a company established under Section 8 of the Act or a registered trust or a registered society, established by the company, either singly or alongwith any other company, or a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature.

## **6. OPERATIONAL GUIDELINES**

- a) The Committee shall, within 90 (ninety) days from the commencement of each financial year, formulate and recommend to the Board projects and activities to be undertaken as part of the Annual Plan. The Annual Plan will specify the annual budget allocation and identify specific projects and activities to be undertaken by the Company along with details of proposed

expenditure allocation in respect of each such project and activity identified in the Annual Plan.

- b) The Committee will formulate the strategy for execution of each project and activity included in the Annual Plan (as approved by the Board) along with targets and key performance indicators for on-going monitoring of the Annual Plan.

## **7. MONITORING**

- a) The Committee shall ensure compliance by the Company with the aforesaid mandatory allocation requirement and all other conditions specified by Act, CSR Rules, Schedule VII and any circular / notifications issued thereunder.
- b) CSR activities undertaken by the Company shall be monitored on an on-going basis by the Committee to ensure due implementation of projects and activities proposed to be undertaken by the Company in accordance with pre-determined targets. The expenditure incurred by the Company in connection with the implementation of each project and activity specified under the Annual Plan shall also be monitored by the Committee on an on-going basis. The Committee may seek such reports from the Company as it may deem appropriate in this regard. Further, the surplus arising out of CSR activities shall not form part of the business profits of the Company.

## **8. REPORTING**

- a) The Annual Report of the Company shall include a section on CSR outlining the CSR Policy, CSR Committee, CSR initiatives undertaken by the Company, the CSR spend during the financial year and other information as required under the Act, CSR Rules and notifications / circulars thereunder.
- b) The Committee shall provide a report to the Board as and when requested by the Board on the implementation and expenditure incurred by the Company on CSR activities and whether such expenditure is resulting in the achievement of the targets identified in the Annual Plan.
- c) In the event the annual Mandatory Allocation is not spent by the Company in any financial year, the Committee shall provide a report to the Board stating the reasons for the failure of the Company to spend the budgeted amount.

## **9. AMENDMENT**

The Committee shall re-evaluate social responsibility objectives of the Company, from time to time, in light of changes in the Company's objectives, industry best practices and evolving priorities and needs of the local communities in locations where the Company operates and sources materials and recommend to the Board modifications to the CSR Policy and the Annual Plan, considering its suitability, adequacy and effectiveness. Any recommendations for improvements or modifications of the CSR Policy and the Annual Plan will be presented to the Board for its consideration.

*(This policy has been revised by the Corporate Social Responsibility (CSR) Committee at its meeting held on 9<sup>th</sup> November 2019 and adopted by the Board at its meeting held on the same day)*

## Annexure A

The following activities as prescribed in Schedule VII of the Companies Act, 2013 may be included in the CSR Activities undertaken by the Company. Any amendment to Schedule VII shall be part and parcel of Annexure-A :

- i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii) 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;
- iv) 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;
- v) 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;
- vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- viii) 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;
- ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science,

technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)

x) rural development projects;

xi) slum area development;

[Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

xii) disaster management, including relief, rehabilitation and reconstruction activities.