

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. PREAMBLE :

The Corporate Social Responsibility policy (CSR Policy) had been framed in accordance with the applicable provisions of the Companies Act, 2013 and the rules issued thereunder. The CSR Policy lays down the guidelines for undertaking programmes towards social welfare activities .

II DEFINITIONS :

1. "Company" means Sree Rayalaseema Hi-Strength Hypo Limited.
2. "CSR Activities" means such programs and projects as may be approved by the Board in terms of this policy.
3. "Board" means the Board of Directors of the Company.
4. "CSR Committee" means a committee constituted by the Board of Directors in terms of Section 135 of the Companies Act, 2013 and CSR Rules.
5. "CSR Expenditure" means the amount recommended by the CSR Committee to be incurred on CSR activities in India as per Companies Act, 2013 and CSR Rules as approved by the Board from time to time.
6. "Net Profits" means the net profits of the Company as per its financial statement prepared in accordance with applicable provisions of the Act, but shall not include any dividend received from other companies in India which are covered under and complying with the provisions of Section 135 of the Act.
7. "Implementing Agency" means section 8 companies, registered public trusts, and registered societies .
8. "Society" means a society registered under the Societies Registration Act, 1860.
9. "Trust" means a public charitable trust registered under Indian Trust Act, 1882.

Any term not defined above shall have same meaning assigned to it under the Act or CSR Rules.

III. IMPLEMENTATION OF THE POLICY:

The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR activities are carried out in accordance with the CSR Policy read with the Companies Act, 2013 and Rules and the annual action plan formulated and recommended by the CSR Committee.

The CSR activities may be undertaken by the Company directly or through implementing agencies i.e., trusts and societies registered with the Central Government and having unique CSR Registration Number with effect from April 1, 2021.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective

companies are in a position to report separately on such projects, programmes, activities in accordance with these rules.

IV. CSR COMMITTEE:

The CSR Committee shall be responsible for providing

(a) recommendations to the Board with respect to CSR activities that may be undertaken by the Company in accordance with this policy, Act and Rules.

(b) formulating and recommending CSR activities

(c) Recommend amount of expenditure

(d) Monitor CSR Policy

(e) Formulate annual action plan

Constitution of committee: This committee will be constituted with at least 3 directors and one shall be independent director.

V. CSR EXPENDITURE:

The Company shall spend at least 2% of average net profits of the company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.

CSR Committee shall recommend the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act and the Rules and the CSR Policy.

Any surplus arising out of the CSR activities shall not form part of the business profit of the company and may only be re-allocated to the CSR activities being undertaken in terms of this policy and the annual action plan for the financial year in which such surplus has arisen.

CSR activities must be undertaken in compliance with the applicable laws and shall not include the following :

- Activities undertaken in normal course of business.
- Activity undertaken outside India.
- CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities.
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.
- Activity not covered within schedule VII of the 2013 Act.
- One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.
- Expenses incurred by companies for the fulfilment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act

VI CSR ACTIVITIES:

The Board shall ensure that the CSR activities that are undertaken by the company should be within the scope of the following activities.

(i)Eradicating poverty, malnourishment and hunger, promoting health care which includes preventive health care and sanitation and making available safe drinking water.

(ii)Promoting education which includes special education and employment strengthening vocation skills 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, measures for reducing inequalities faced by socially and economically backward groups.

(iv)Safeguarding environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining a quality of soil, air and water which also includes a contribution for rejuvenation of river Ganga.

(vi)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 arts and handicrafts.

(vii)Areas for the advantage of skilled armed forces, war widows and their dependents.

(viii)Training to stimulate rural sports, nationally recognized sports, Paralympic sports and Olympic sports.

(ix)Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development providing relief and welfare of the Scheduled Castes, the Scheduled and backward classes, minorities and women.

(x)Contributions or funds provided to technology incubators are approved by the Central Government.

(xi)Rural development projects.

(xii)Disaster management, including relief, rehabilitation and reconstruction activities.

(xiii)Slum area development where '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.

VII. REPORTING AND RECORD KEEPING:

The CSR Committee shall maintain proper minutes of all its meetings. The Board's report of the Company shall include an annual report on CSR.

IX.AMENDMENT:

The Board of the Company may subject to compliance with applicable law may amend, alter or modify this policy.