SHARVAYA METALS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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The provisions of Section 135 of the Companies Act, 2013 ("Act"), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") and Schedule VII to the Act, as amended from time to time, shall be applicable to the Company to the extent applicable.

The Company recognises that Corporate Social Responsibility ("CSR") is an important part of its responsibility towards society and the communities in which it operates. The Company is committed to conducting its business in a socially responsible manner and contributing towards the social, economic and environmental development of society.

The Company shall undertake CSR activities in accordance with the applicable provisions of the Companies Act, 2013, the CSR Rules and Schedule VII to the Act and shall endeavour to undertake activities having a sustainable and meaningful impact on the beneficiaries.

The Company shall give preference to the local area and areas around which it operates for undertaking CSR activities, while also undertaking CSR activities at other locations in India, wherever considered appropriate and permissible under applicable law.

CSR Governance

The Board of Directors of the Company shall be responsible for providing overall direction, approval, monitoring and supervision of the CSR activities undertaken by the Company.

The Board shall approve the CSR Policy, CSR projects and programmes, Annual Action Plan and the amount to be spent on CSR activities, in accordance with the applicable provisions of law.

The Board shall also monitor the implementation of CSR activities and ensure that the CSR expenditure is utilised for the purposes for which it has been approved and in accordance with the applicable provisions of the Companies Act, 2013 and the CSR Rules.

CSR Activities

The Company shall undertake such CSR activities as are specified under Schedule VII of the Companies Act, 2013, as amended from time to time.

The broad areas in which the Company may undertake CSR activities include, inter alia:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;

2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

4. 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;

5. Protection of national heritage, art and culture, including restoration of buildings and sites of historical importance and works of art, setting up public libraries and promotion and development of traditional art and handicrafts;

6. Measures for the benefit of armed forces veterans, war widows and their dependents;

7. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

8. Contribution to specified funds set up by the Central Government for socio-economic development and relief and welfare of specified categories of persons, as may be permitted under Schedule VII;

9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

10. Rural development projects;

11. Slum area development; and

12. Disaster management, including relief, rehabilitation and reconstruction activities.

The above activities shall be interpreted in accordance with Schedule VII to the Companies Act, 2013 and the clarifications issued by the Ministry of Corporate Affairs from time to time.

CSR Annual Action Plan

The Company shall prepare and approve an Annual Action Plan for each financial year in accordance with the applicable provisions of the CSR Rules.

The Annual Action Plan may, inter alia, specify:

a. the list of CSR projects and programmes to be undertaken;
b. the manner of execution of such projects and programmes;
c. the modalities of utilisation of CSR funds and implementation schedules;
d. monitoring and reporting mechanism for the projects and programmes; and
e. details of need and impact assessment, if any, as may be applicable.

The Board may make modifications to the Annual Action Plan during the financial year, wherever required, in accordance with the applicable provisions of law.

Implementation of CSR Activities

The Company may undertake CSR activities:

a. on its own;

b. through eligible implementing agencies registered with the Central Government, wherever required under applicable law;

**c. ** in collaboration with other companies, subject to compliance with the applicable provisions of the Act and CSR Rules; or

d. through any other permissible mode as may be prescribed under applicable law.

The Company shall undertake appropriate due diligence of implementing agencies before entrusting CSR projects to such agencies and shall ensure that the activities undertaken are within the scope of Schedule VII to the Act.

The Company may require the implementing agencies to submit periodic reports, utilisation certificates and other documents relating to the implementation and utilisation of CSR funds.

CSR Expenditure

The Company shall endeavour to spend, in every financial year, the amount prescribed under Section 135 of the Companies Act, 2013 towards CSR activities in accordance with the approved CSR Policy and Annual Action Plan.

CSR expenditure shall be incurred only on activities which qualify as CSR activities under the applicable provisions of the Companies Act, 2013, Schedule VII and the CSR Rules.

The administrative overheads relating to CSR activities shall be within the limits prescribed under the CSR Rules.

Any surplus arising out of CSR activities shall not form part of the business profits of the Company and shall be dealt with in accordance with the applicable provisions of the CSR Rules.

The Company shall not treat expenditure incurred in the normal course of business, activities undertaken exclusively for the benefit of employees and their families, political contributions or activities otherwise excluded under the CSR Rules as CSR expenditure.

Monitoring and Evaluation

The Board of Directors shall monitor the implementation of CSR activities and utilisation of CSR funds.

The Company may obtain periodic reports from implementing agencies and may undertake such review, verification, site visits or other monitoring measures as may be considered appropriate.

The Company shall ensure that CSR funds are utilised for the purposes for which they are sanctioned and in accordance with the approved CSR projects and applicable law.

Where impact assessment is applicable to the Company under the CSR Rules, the Company shall undertake such assessment in the manner prescribed under applicable law.

Unspent CSR Amount

In case the Company fails to spend the prescribed CSR amount in any financial year, the unspent amount shall be dealt with in accordance with the provisions of Section 135 of the Companies Act, 2013 and the CSR Rules.

In case of an ongoing project, the unspent amount shall be transferred to the **Unspent CSR Account** within the prescribed period and shall be utilised in accordance with the applicable provisions of law.

In other cases, the unspent CSR amount shall be dealt with in the manner prescribed under Section 135 and the CSR Rules.

The Company shall disclose the details of unspent CSR amounts and the reasons for not spending the prescribed amount, wherever applicable, in its Board's Report and other statutory disclosures.

Preference to Local Area

The Company shall give preference to the local area and areas around which it operates for undertaking CSR activities.

Considering the Company's operations at **Bhalawani, Taluka Parner, Ahmednagar, Maharashtra**, the Company may, wherever feasible, undertake CSR activities for the benefit of the communities in and around its operational areas.

However, the Company may undertake CSR activities at other locations in India, where considered appropriate and permissible under applicable law.

CSR Reporting and Disclosure

The Company shall make such disclosures relating to CSR as may be required under the Companies Act, 2013, the CSR Rules and other applicable laws and regulations.

The Company shall include the prescribed annual report on CSR activities in its Board's Report and shall make such disclosures on the website of the Company, if any, as may be required under the applicable provisions of law.

The CSR Policy and the CSR projects approved by the Board shall be disclosed on the website of the Company, if required under applicable law.

General

The Company shall endeavour to ensure that all CSR activities are undertaken in a transparent, accountable and sustainable manner.

The CSR Policy shall be reviewed periodically by the Board of Directors and may be amended, modified or substituted from time to time to ensure compliance with amendments to the Companies Act, 2013, CSR Rules, Schedule VII and other applicable laws, regulations and guidelines.

In case of any conflict between the provisions of this Policy and the provisions of the Companies Act, 2013, the CSR Rules, Schedule VII or any other applicable statutory provision, the provisions of applicable law shall prevail.

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