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CORPORATE SOCIAL RESPONSIBILTIY POLICY

GUIDING PRINCIPLES

Corporate Social Responsibility (CSR) creates a dynamic relationship between a Company on the one hand and the society and the environment on the other.

Ganesh Steel & Alloys Limited (hereinafter called "the Company") and its people are committed to society, ecology and environment. The Company also realises that caring for the society, country and the planet is not philanthropy or generosity– it is the very way of doing sustainable business. The Company realises that by following the CSR Policy it is only being relevant and meaningful to the society of which we are a corporate citizen.

Vision: The CSR Committee's Vision is "changing lives in pursuit of collective development and environmental sustainability". This vision should encompass all CSR activities of the Company.

Mission: The CSR Committee's Mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society based on long term social and environmental consequences of the CSR activities. Within the above mission, the CSR Committee will choose Priority Projects from time to time.

The objective of this Policy is not only to guide the Company and its people to indulge in social activities but also to integrate the business processes with social processes. The Company believes that CSR Policy is the Company's faith in socially inclusive and sustainable business as the way of doing business.

INTERPRETATIONS:

(a) "Act" means The Companies Act, 2013 as amended from time-to-time.

(b) "Board" means Board of Directors of the Company.

(c) "Rules" means The Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time-to-time

CSR COMMITTEE

CSR Committee shall consist of at least 3 (three) Directors, out of which at least one Director shall be an Independent Director.

MEETING OF COMMITTEE

The Committee shall meet at least once in a year, preferably at the beginning of the financial year, to formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:

a) the list of CSR projects or programmes that are approved to be undertaken in areas or subject specified in Schedule VII of the Act;

b) the manner of execution of such projects or programmes;

c) the modalities of utilization of funds and implementation schedules for the projects or programmes;

d) monitoring and reporting mechanism for the projects or programmes; and

e) details of need and impact assessment, if any, for the projects undertaken by the Company.

However, the Board of Directors of the Company may alter such plan at any time during the financial year, as per the recommendations of the CSR Committee, based on the reasonable justification to that effect. Apart from the above, the Committee shall hold meetings as and when necessary.

SCOPE OF CSR ACTIVITIES

The Company has constituted a committee to undertake CSR activities within the purview of the guidelines as provided by the Ministry of Corporate Affairs and Company will undertake any activity as specified therein as its CSR Projects which inter alia provides the following:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), 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.

(xiii) Subscription to zero coupon zero principal instruments on Social Stock

Exchange.

or any other areas as may be notified by the Central Government from time to time and as included in Schedule VII to the Act. However, preference shall be given lo local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

Further, the CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –

(a) a Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority.

RESPONSIBILITIES OF CSR COMMITTEE

Apart from its annual feature of formulation and recommendation of an annual action plan to the Board of Directors of the Company, the CSR Committee shall:

a) formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject, as specified in Schedule VII of the Act;

b) recommend the amount of expenditure to be incurred on the activities as referred to in clause (a);

c) monitor the CSR activities of the Company from time to time;

d) any other matter as may be considered necessary or expedient by the Members in furtherance of or to comply with the CSR Policy of the Company.

The Board shall ensure that the Company spends atleast 2% of the average net profit of the Company made during the three immediately preceding financial years in pursuance of the CSR Policy. The Board shall also ensure necessary compliances pertaining to unspent CSR amount, if any, in any financial year and the manner of utlisation of excess CSR contribution done in any financial year, in accordance with the provisions of the Act and the rules related thereto.

CARRYING OUT OF CSR PROJECTS THROUGH EXTERNAL AGENCIES

The Company may undertake CSR activities itself or through:

(a) a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company, or

(b) 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

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

In case the CSR Committee decides to execute a CSR Project through an external agency, it would adhere to the following guiding principles:

1. The Agency must be eligible for carrying the CSR Project, and must have track record in carrying similar project for a period to the satisfaction of the Committee, but not less than 3 years. Subject to the above, any director of the Company may be associated/affiliated as a trustee, governing body member or in any other manner with the Agency, provided that no personal benefit, directly or indirectly, should flow from such Agency to any such director.

2. The Committee shall provide specific Project agenda, targets, target spending, accomplishments, manner of execution etc to the Agency, subject to discussions with the Agency.

3. The disbursement of funds to the Agency must be done on a progressive basis so as to align with the funding needs of the Project, and to permit the evaluation of the activity carried so far.

4. The Agency must provide periodically reports, to the satisfaction of the Committee, about execution of the Project.

5. The Agency must provide the utilization certificate within 30 days of the end of the financial year, duly certified by its statutory auditors/chartered accountant, to the Company.



However, no CSR activities will be carried out by the Company directly or through any other eligible entity unless the Company itself or such entity is duly registered with Central Government for such purpose with a valid Unique CSR Registration Number as allotted by MCA to the Company or such entity for carrying out such activities.

Further, 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 or programmes in accordance with CSR rules.

EXCLUSIONS

Following activities shall be excluded from the CSR expenditure of the Company:

a) Activities which are exclusively for the benefit of employees of the Company;

b) Activities undertaken in pursuance of normal course of business of the Company;

c) Direct or indirect contribution to political parties;

d) Expenditure on item/s not in conformity with Schedule VII of the Act ;

e) Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

f) Activities supported by the Companies on sponsorship basis for deriving marketing benefits for its products or services.

MONITORING OF CSR PROGRAMS

Notwithstanding whatever mentioned elsewhere, every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

The Board shall be responsible for day-to-day management of CSR related activities of the Company. The Board shall periodically review regarding the financial and programmatic progress of CSR projects. All projects undertaken by the Company shall be monitored on a regular basis.

The Board shall be empowered to appoint an external third party to monitor / review / audit the progress (financial and programmatic) of any CSR projects, if required.

The Committee will appoint an independent agency / firm of repute for carrying out impact assessment, if applicable, and the report of such impact assessment shall be placed before the Board and shall also be annexed with the Annual Report on CSR.

EFFECTIVE DATE

The CSR Policy shall be effective from the date of its approval by the Board of Directors.

AMENDMENTS TO THE CSR POLICY

This Policy shall be reviewed by the Board from time to time, and revised as necessary to remain consistent with the Act and the CSR Rules as amended from time to time.

