

## CORPORATE SOCIAL RESPONSIBILITY POLICY

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### A. BACKGROUND

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, MSP Steel & Power Limited ('MSPL' or 'the Company') is, inter alia, required to:

- (i) Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- (ii) Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

### B. PHILOSOPHY

Corporate Social Responsibility (CSR) is a public spirited cause that has been well introduced by the new Companies Act 2013. Through the CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit. The main responsibilities of the Company towards society at large are to eradicate hunger, poverty and malnutrition; promote preventive health care and sanitation and making available safe drinking water, promoting gender equality and empowering women.

### C. OUR VISION

1. Company understands the need of promoting social well being of the weaker section of the society. As a part of initiative under Corporate Social Responsibility the Company has undertaken various projects to promote health, growth development and education in the rural areas.
2. The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.
3. The Company is committed towards improving the quality of lives of people in the communities in which it operates because, the society is an essential stakeholder and the purpose of its existence. The Company believes that giving back to the society through CSR activities is its moral duty.
3. The Company aims to fulfill the requirements laid down under the Companies Act, 2013 and act diligently to comply with all its Rules and Regulations on CSR.

#### **D. APPLICABILITY OF THE POLICY**

1. The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the Act in this Policy) and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India.

2. This Policy shall apply to all CSR initiatives and activities taken up at the various locations in India, preferably in the vicinity where the Company carries out its business operations and for the benefits of different segments of the society, specifically the deprived and under-privileged.

#### **E. SCOPE OF CSR ACTIVITIES**

To this extent, the Company will support or undertake measures by established and reputed agencies and Non-Government Organisations, Central and State Governments and other agencies or the Company itself, for:

- Eradication of hunger, poverty and malnutrition
- Promote health care facilities including preventive health care
- Implementation of measures for reducing inequality faced by socially and economically backward groups
- Promoting sanitation
- Making available safe drinking water
- Promoting education including special education and skill development
- Promoting employment enhancing vocational skill among citizens including children, women, elderly, differently abled persons
- Promoting livelihood enhancement projects
- Promoting gender equality and empowerment of women
- Promoting setting up of homes for women and orphans, old age homes, day care centres and such other facilities for senior citizens
- Ensuring environmental sustainability, environmental balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, promotion and development of traditional arts and handicrafts
- Setting up and running of public libraries
- Measure for benefit of armed forces veterans, war widows and their dependants
- Promotion of rural sports and training for nationally recognised sports, Paralympic sports and Olympic sports
- Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizens Assistance and Relief in Emergency Situations Fund (PM Cares Fund) and any other Fund set up by the Central Government for socio economic development and relief and welfare of the scheduled castes, scheduled tribes, other backward classes, minorities and women
- Providing funds to technology incubators located within academic institutions which are approved by the Central Government including 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 Electronics and Information Technology and other bodies, namely Defence 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).

- Promotion and setting up of Rural Development Projects
- Promotion of sporting activities
- Promotion of cultural activities
- Support to well-known charitable institutions
- Support to infrastructural facilities of establishments for public services such as Fire Stations and hospitals, institutions including schools and colleges, research and scientific institutions, organisations for promoting sports, art and culture, run or supported by the Government or by reputed NGOs.
- To undertake or support any activity for common good and benefit of the society and its people, promotion of inclusive growth and equitable development and enhancement of human development index including but not limited to development of infrastructure, housing and habitation, energy efficiency, education, roads including traffic management, healthcare, sewerage, beautification of surroundings, waste management, water conservation, community development, etc.

While the Company pledges to encourage its employees towards participation in varied CSR activities that the Company undertakes, activities undertaken in the normal course of business of the Company or only for benefit of the employees and their families shall not qualify as CSR under this Policy, except as may be permissible under applicable laws. In this regard, activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages 2019 shall also not be considered as CSR under this Policy. However, if employees and their families get benefits by an activity which is largely meant for the outside community or society, then such activity, if otherwise qualified, will count as a CSR activity. It is further clarified that the Company shall also not undertake any activity in fulfilment of any other statutory obligations under any law in force in India, as a CSR activity.

The composition of the CSR Committee, the CSR Policy and CSR Projects approved by the Board of Directors shall be disclosed on the website of the Company for public access. A summary of the impact assessment report for the CSR related project undertaken by the Company in each Financial Year shall also be provided in the Company's website.

#### **F. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE COMPOSITION AND ROLE:**

A CSR Committee comprising of 3 (three) or more directors out of which at least 1 (one) director will be an independent director who shall work in coordination with directions given by the Board of Directors of the Company. Such CSR Committee may be reconstituted from time to time as per the requirement of applicable laws. Role of the CSR Committee shall include inter alia the following:

- Recommend, formulate and conduct CSR activities approved by the Board of Directors of the Company and ensure compliance of such CSR activities with the provisions of Schedule VII of the Companies Act 2013.
- Review, allocate, approve and recommend the budget for the CSR expenditures to be undertaken by the Company on an annual basis.
- Monitoring compliance of the CSR Policy and the expenditures incurred on CSR activities.
- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act and the Rules made thereunder as amended from time to time;
- In case any of the CSR Activities to be undertaken are anticipated to be long term i.e. an ongoing project being for a term of 3 (three) years excluding the financial year in which it has commenced, then an

estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board of Directors.

- The manner of execution of such projects or programmes as specified above.

The Company shall ensure that its CSR Committee will oversee the implementation of the various CSR activities and projects undertaken by the Company, in compliance with the provisions of Section 135 of the Companies Act 2013 and the rules framed thereunder.

The Members of the CSR Committee are comprises of the following:

- a. Mr. Prateek Bansal - Chairman
- b. Mr. Saket Agrawal - Member
- c. Mr. Manish Agrawal – Member

## **G. RESPONSIBILITIES OF THE BOARD**

The board of directors of the Company shall:

- Form a CSR Committee and disclose the composition of the CSR Committee (as set out above).
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR Policy.
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the shareholders of the Company.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law, if applicable.
- The Board shall also ensure that the CSR activities are undertaken by the Company itself or through
  - ✓ 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
  - ✓ 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; or
  - ✓ a company established under section 8 of the Act, or a registered public trust or a registered society, not referred to above, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least 3 (three) years in undertaking similar activities.

Every entity as covered above, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar (or such other form or document as may be required), for projects or programmes approved, with effect from 1st April 2021.

The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such manner as prescribed under the law. The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it. The Chief Financial Officer of the Company shall certify to this effect.

## **H. PARTNERSHIPS AND COLLABORATIONS**

Collaborative partnerships shall be formed with the internal as well as external stakeholders which shall include the Government, the village panchayats, NGOs, the District Authorities, international organisations and other likeminded stakeholders. Company may join hands with external experts and organizations with an established track record who have done work or are capable of doing work in the areas identified by the Company as CSR initiatives.

## **I. ANNUAL ACTION PLAN**

The CSR Committee shall be responsible for formulating and recommending a CSR annual action plan, which shall include:

- the list of approved CSR projects and programmes of the Company that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes;
- details of need and impact assessment, if any, for the projects undertaken by the Company;

## **J. GENERAL**

In case of any doubt with regard to any provision or interpretation of the policy or in relation to any matter not covered herein, a reference shall be made to the CSR Committee. In all such matters, the interpretation and decision of the Committee shall be final. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time. The Company is committed to continuously reviewing and updating the policies and procedures. Therefore, this policy is subject to modification.

The Board of Directors of the Company reserves the right to modify, add, or amend any of these Policy Rules/Guidelines from time to time, as it may think fit, based on the recommendation of the CSR Committee. Any changes/ modifications to the CSR Policy shall be immediately updated on the website.