



## APL APOLLO TUBES LIMITED

### CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility (CSR) builds 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. Over time, it has become an integral part of business. APL Apollo Tubes Limited (“Company”) has been engaged in charities and philanthropic activities, along with a number of others social activities. The key objective is to promote education, fight against hunger, provide medical relief help in combating chronic disease and addressing environmental issues.

The Board of Directors of APL Apollo Tubes has the responsibility of formulating the Corporate Social Responsibility Policy (“Policy”) for the Company, identifying & addressing the progress achieved in the area of Corporate Social Responsibility (“CSR”) & fostering a culture of global responsibility that contributes to the creation of value& making CSR a key business process for sustainable development of the society.

#### **1. SHORT TITLE & APPLICABILITY**

This Policy describes and contains the Company’s philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines, process and mechanisms for undertaking socially useful programmes for welfare and sustainable development of the community at large. Titled as the “**APL Apollo Tubes Limited CSR Policy**”, this Policy has been prepared keeping in mind the Company’s business ethics and the requirements of the Companies Act, 2013 (hereinafter called as “the Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs vide Notification dated 27<sup>th</sup> February, 2014. Notwithstanding any provision mentioned in this Policy, any change thereto with respect to the legal framework of Corporate Social Responsibility as specified in Section 135 of the Companies Act, 2013 read with relevant rules, shall have effect including the statutory amendment and modifications thereto in the legal provisions.

#### **2. DEFINITIONS**

- 2.1 ‘**Act**’ means the Companies Act, 2013;
- 2.2 ‘**Board**’ means the Board of Directors of APL Apollo Tubes Limited;
- 2.3 ‘**Company**’ means APL Apollo Tubes Limited;
- 2.4 ‘**Corporate Social Responsibility (CSR)**’ means and include but not limited to the activities as specified in this policy pursuant to Schedule- VII of the Act, but contribution directly or indirectly to the political party, business done by the Company in its normal course, activities only for the benefit of employees and activities done outside India will not be considered as CSR activity;
- 2.5 ‘**CSR Expenditure**’ shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities specified in this policy as approved by Board on recommendation of CSR Committee;
- 2.6 ‘**CSR Committee**’ means the committee constituted under the provisions of Section 135 of the Act;
- 2.7 ‘**Directors**’ shall mean the directors of the Company;

- 2.8 **'Net profit'** means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following namely:-
- i. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
  - ii. Any dividend received from other companies in India which are covered under and complying with the provisions of section 135 of the Act.

### 3 CSR VISION STATEMENT & OBJECTIVE

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms.

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

### 4 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

#### Composition:

The Corporate Social Responsibility Committee of the company consists of three directors amongst whom two are Independent Directors. The Composition of the CSR Committee as follows:

S. No.	Name	Designation
1	Mr. Abhilash Lal	Chairman
2	Mr. Anil Kumar Bansal	Member
3	Mr. Ashok K. Gupta	Member

**Meetings:** The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least one meetings in a financial year.

**Quorum:** The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

**Sitting Fee:** The sitting fees for attending the meeting shall be determined from time to time by the Board of Directors.

#### Role of CSR Committee

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for the company and disclose its contents in their report and also publish the details on the Company's website, if any, in such manner laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board of Directors shall endeavor that the Company spends 2% of the average pre-tax net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

## 5 CSR BUDGET/CSR SPEND

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget. The average profit before tax of APL Apollo Tubes Ltd. is Rs. 459.26 Millions. Hence, the amount of CSR Budget is Rs. 9.19 Millions.

The Annual CSR Budget shall be spent on activities laid down in this Policy. CSR expenditure shall include all expenditure including contribution to corpus of flagship projects, projects or programs relating to CSR activities as per CSR policy, but does not include any expenditure on an item not in conformity with the CSR Policy.

## 6 CSR ACTIVITIES

The activities that may be included by the company in its Corporate Social Responsibility Policy (SCHEDULE VII) includes following:

- a) Eradication of extreme hunger and poverty
- b) Promotion of education
- c) Promoting gender equality and empowering women
- d) Reducing child mortality and improving maternal health
- e) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases
- f) Ensuring environmental sustainability
- g) Employment enhancing vocational skills
- h) Social business projects
- i) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women
- j) Such other matters as may be prescribed

Of the above, some suggested areas of focus are:

- Welfare of orphaned and abandoned children
- Health Care.

**Accordingly, our CSR Charter can be defined as:**

### 1. Welfare of orphaned and abandoned children

The beneficiaries of this programme will be children of the most vulnerable lot i.e. children of widows, single women, and Below Poverty Line (BPL) families. The programme aims to enable families to move out of the vicious cycle of poverty towards greater dignity and self-reliance by ensuring education of children and income generating capacity development of the care givers.

- All round development including education, nutrition, health and psychological development will be taken care of till the children are settles in their lives.

- A child care professional mother will live together with the children; will guide their development, and running her household independently.
- Girls and boys of different ages will live together as brothers and sisters, with natural brothers and sisters always staying within the same family.
- Each family will create its own home with their own unique feeling, rhythm and routine.
- The families will share experiences and will offer one another a helping hand. They will also live as integrated and contributing members of the local community. Through his or her family and community, each child will learn to participate actively in society.
- Primary and secondary schools will be opened which will not only cater to children and youngsters under our care but will also reach out to children in need from the neighborhood communities.

## **2. Health Care**

We will provide better healthcare and disease prevention through various initiatives, both direct and indirect.

- Dispensaries will enable first level of aid, basic healthcare and referral to a larger unit for more intensive care
- May provide basic medicines at free / subsidized prices in addition to medical attention
- May work in conjunction with Government and other agencies in organizing one off activities such as blood donation camps, inoculation camps, health check-ups etc.
- Encourage existing Dispensaries to expand network by financially supporting / sponsoring their initiatives

## **7. CSR EXPENDITURE**

The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only, shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act.

The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and regions where the Company operates.

All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR Committee, which would then be placed before the forthcoming CSR committee for noting and record. The Chairman will ensure that the expenses/contribution and donation will be in full compliance of the CSR Policy.

## **8. SURPLUS ARISING FROM CSR ACTIVITY**

The surplus arising from CSR projects, programs or activities shall not form part of the business profit of the Company and shall be utilized for CSR activities only.

## **9. OFFICERS FOR IMPLEMENTATION**

The Company shall appoint officers at its business places (Units & Corporate Office) to undertake, supervise and monitor the CSR activities and expenditures. Such officers will be responsible to ensure that the expenditures are made in full compliance with this policy. They will submit periodical report to the Committee.

The Company shall ensure that these officers have CSR capacities of their own and if required, they will be given the requisite training to undertake these tasks. The Company may also appoint implementing agencies like charitable trusts and NGOs/ Institutions with established track records of at least three financial years. However, expenditure on building capabilities internally or externally shall not exceed 5 percent of total CSR expenditure of the company in a financial year.

## **10. AGENCY FOR IMPLEMENTATION**

The Company may undertake its CSR activities approved by the CSR Committee directly or through a Registered Trust or a registered society or a company established by the Company under section 8 of the Act. Provided that –

- a. If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects; and
- b. The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programs.

## **11. IMPLEMENTATION PROCESS**

- a. Identification studies by the Senior Management/ professional institutions/agencies to identify the CSR program in line with the Policy;
- b. Internal need assessment by cross functional teams at the local level;
- c. Receipt of proposals/requests from charitable institutions and NGOs;
- d. Suggestions from the Board of Directors/senior management level;
- e. Implementation of CSR program.

## **12. EXCLUSIONS**

- a. The CSR activities shall be undertaken by the Company (either new or ongoing), and shall not include the activities undertaken in pursuance of its normal course of business.
- b. Any contribution, director indirect, to any political party, shall not be considered a CSR Expenditure.
- c. The CSR projects or programs or activities that benefit exclusively the employees of the Company, and their families, shall not be considered as CSR activities in accordance with this Policy.

## **13. CSR PROGRAMS**

- 12.1 CSR programs will be undertaken by various work centres i.e. Corporate office, units and other business places of the Company in India to the best possible extent within the defined ambit of the identified Project/ Program.
- 12.2 The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

#### 14. MONITORING AND FEEDBACK

- a. To ensure effective implementation of the CSR programs undertaken at each work centre, a monitoring mechanism will be put in place by the work centre head.
- b. The progress of CSR programs under implementation at work centre will be reported to corporate office on a monthly basis.
- c. The report on progress on the CSR program undertaken by the Company will be put forward to the CSR Committee with full details of cost incurred and results achieved on a regular basis.
- d. Work centres and zonal office will try to obtain feedback from beneficiaries about the programs implemented at the area.
- e. Appropriate documentation of the Company's CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- f. CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made thereunder.

#### 15. Reporting Framework

S.no	CSR Project or Activity Identified	Sector which the project is covered	Project or Programs 1) Local Areas, 2) Specify the state and district where projects or programs was undertaken	Budget (Project or Program)	Amount spent on Project or Program a)Direct Expenditure b)Overheads	Cumulative Expenditure	Amount Spent Direct or through Agency

#### 16. DISCLOSURES

The Board's report, being a part of the Annual Report shall disclose the composition of the Corporate Social Responsibility Committee, the contents of such policy and the CSR initiatives undertaken. This CSR Policy shall also be placed on the website of the Company.

#### 17. MISCELLENEUOS

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference shall be made to CSR Committee. In all such matters, the interpretation & 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 CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board."