



APL APOLLO TUBES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

[Approved by the Board of Directors on 18th February 2015 and amended on 25th January 2020]

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.

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 mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large. Titled as the "**APL Apollo Tubes Limited CSR Policy**" (CSR Policy), it has been prepared keeping in mind the Company's business ethics and the requirements of the Companies Act, 2013 Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs vide Notification dated 27th February, 2014.

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 or areas 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 calculated in accordance with the provisions of section 198 of the Companies Act, 2013 and 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 shall consist of at least three directors amongst whom at least one shall be Independent Director or as may be constituted by the Board of Directors from time to time in compliance with the Act.

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 meeting 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 this Policy 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 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 minimum 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on CSR activities or projects as recommended by the CSR Committee. CSR expenditure shall include all expenditure including contribution to corpus of 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 Company will undertake its CSR projects or activities in one or more areas mentioned below:

- a) 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;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d) 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;
- e) 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;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- h) 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;
- i) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- j) Rural development projects;
- k) Slum area development; 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;
- l) Disaster management, including relief, rehabilitation and reconstruction activities;
- m) Such other matters as may be prescribed from time to time.

The CSR Committee shall recommend the activities to be carried to the Board every financial year.

7 CSR EXPENDITURE

The CSR projects or programs or activities undertaken by the Company 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 shall 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 upon recommendation of CSR Committee followed by approval from the Board of Directors of the Company, which would then be placed before the forthcoming CSR committee for noting and record.

Suitable delegation of powers would be granted to the executives for approving CSR expenditure by specifying the limits

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 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 under section 8 of the Act by the Company either singly or along with any other Company. Provided that –

- a. If such trust, society or company is not established by the company either singly or along with any other Company then it should be either established by Central Government or State Government or pursuant to any Act of Parliament or State Legislature or shall have an established track record of three years in undertaking similar programs or projects;
- b. Where the CSR activities are undertaken through entities established by any other Company, the Company shall make sure that expenses incurred can be demarcated in respect to all the contributors involved and
- c. The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programs.

Where the CSR activities are undertaken directly, the Company shall appoint its officers to undertake, supervise and monitor the CSR activities and expenditures and they shall work under the control and supervision of the CSR Committee. Such officers 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.

10 EXCLUSIONS

- a. The CSR activities shall not include the activities undertaken in pursuance of its normal course of business.
- b. Any contribution, direct or 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.

11 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 and presented to the CSR Committee.

12 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.

13 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