

CORPORATE SOCIAL RESPONSIBILITY POLICY

Of

DHATRE UDYOG LIMITED

(Formerly Known as Narayani Steels Limited)

DHATRE UDYOG LIMITED

(FORMERLY NARAYANI STEELS LIMITED)

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CIN : L24319WB1996PLC82021

DHATRE UDYOG LIMITED
(Formerly Known as Narayani Steels Limited)

CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility (“CSR”) is the commitment to provide resources and support activities focused on enhancing economic and social development. It is the effort made to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as a part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits. Being a responsible corporate citizen, Company is committed to perform its role towards the society at large. In alignment with its vision, the Company always works towards adding value to Society by going beyond business goals and contributing to the wellbeing of the community. Its contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Company, the Group and the broader community.

1. SCOPE OF CORPORATE SOCIAL RESPONSIBILITY POLICY

The policy would pertain to all activities undertaken by Company towards fulfilling its corporate social responsibility objectives. The policy would also ensure compliance with the provisions of Section 135 of the Act, 2013, read with Schedule VII of the Act, 2013 and (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and the notifications and circulars issued by the Ministry of Corporate Affairs from time to time. Company’s objective is to pro-actively support meaningful socio-economic development. The Company works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life. Company aims to identify critical areas of development contributing to the well-being of the community and benefitting them over a period of time.

2. DEFINITIONS

- a. “Act” means Companies Act, 1956/ Companies Act, 2013 (as applicable), as amended and modified from time to time.
- b. “Board” or “Board of Directors” means the board of directors of the Company.
- c. “Company” means Dhatre Udyog Limited.
- d. “CSR” means Corporate Social Responsibility.
- e. “CSR Regulations” means Section 135 of the Act (as amended from time to time), the CSR

Rules (as amended from time to time) and the notifications and circulars issued by the Ministry of Corporate Affairs from time to time collectively.

- f. “On-going Project” means a multi-year project, stretching over more than one financial year; having timeline not exceeding three years excluding the year of commencement Includes such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.
- g. “Policy” or “This Policy” means the CSR Policy of the Company, as amended from time to time.

3. CSR COMMITTEE

As per Section 135(9), the amendment act, 2020, which got effective on September 28, 2020 has provided the relaxation to the Companies for constitution of the Corporate Social Responsibility Committee if the amount to be spent by them on CSR activity does not exceed fifty lakh rupees.

4. OBJECTIVES OF THE COMMITTEE

- i. To develop a long-term vision and strategy for CSR activities.
- ii. To establish the process and mechanism for the implementation and monitoring the CSR activities in accordance with the CSR Regulations.
- iii. To strive for economic development that positively impacts the society at large with a minimal resource foot print.

5. ANNUAL PLAN

The Annual Plan for CSR activities will consist of the following:

- i. The prescribed outlay on CSR as per the Act and related rules as amended from time to time;
- ii. Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under the Act and related rules as amended from time to time, their conformity with the CSR Policy and their implementation schedules;
- iii. Proposed outlay on each activity including expenditure on administrative overheads both directly and indirectly including employee costs;
- iv. Activities to be undertaken by the Company directly;
- v. Activities to be undertaken by other entities and Company's contribution to such entities;
- vi. Aggregate proposed outlay and reasons for shortfall, if any, compared to the prescribed outlay.
- vii. The authority to incur expenditures under the above plan shall be as per the approved delegation of financial powers in the Company.

6. OPERATING FRAMEWORK (IMPLEMENTATION)

- i. CSR activities will be undertaken in areas identified by the Board. An annual CSR plan shall be prepared by the Board.
- ii. The above plan will be sent to the Board for its approval.
- iii. Activities undertaken by Company may be implemented directly by the Company as well as by not-for-profit entities. Such entities and projects shall be supported after ascertaining the credibility of the agency and its track record in implementing projects.
- iv. The authority to incur expenditures under the above plan shall be as per the approved delegation of financial powers in the Company.

- v. Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.

7. MONITORING PROCESS

- i. The goals and objectives along with the annual budgets of CSR will be discussed and signed off at the beginning of every financial year by the CSR committee and the Board of Directors subsequently.
- ii. The Board of Directors shall formulate and recommend an annual action plan in pursuance of its CSR policy which would include utilization of funds, monitoring and reporting mechanism for the projects or programs and details of need for impact assessment, if any, for the projects undertaken by the Company.
- iii. The Board of Directors may alter the plan, any time during the financial year.
- iv. Along with approval of the annual plan, the Board of Directors will review the progress of all key programs vis-d-vis its broad objectives for the previous year including effective utilization of the funds and a formal assessment of outcomes and impacts as considered relevant by the Board.
- v. All decisions on outcome/impact evaluation are required to be presented to the Board once a year.

8. CSR BUDGETING

- i. Company has undertaken to spend at least two (02) per cent of the average net profit made during the three (03) immediately preceding financial years on specific CSR projects and programs in compliance to The Act.
- ii. In the event of the company failing to spend the allocated annual budget, reasons for not spending will be provided in the Company's Annual Report.
- iii. The computation of average net profits will be carried out in accordance with the provisions of Section 198 of the Act.
- iv. The unutilized CSR budget pertaining to the "on-going project", from the two (02) per cent of the average net profit if any, will be transferred to a separate bank account within 30 days from the end of financial year.
- v. The Board shall make disclosures in the Annual Report as per clause (0) of sub-section (3) of section 134 of the Act, including particulars specified in annexures to the CSR Rules.
- vi. Surplus arising out of CSR projects, programs or activities shall not form part of the business profits of the Company. Instead, the same will be further deployed for future CSR projects only.

9. DISCLOSURE/ REPORTING

Company shall include in its annual report the following information on CSR:

- (a) A description of contents of the CSR policy;
- (b) An overview of the CSR activities;
- (c) Average net profit for the preceding three financial years;
- (d) Prescribed CSR expenditure;
- (e) Details of amount spent in the prescribed format;
- (f) Amount unspent, if any, and reasons for not spending the amount; and
- (g) Such other matters as may be specified from time to time for inclusion in the annual report.

The above information shall also be displayed on the Company's website.

10. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The projects or programmes to be undertaken by Company as CSR in India will be considered and approved by the Board of Directors of the Company. Any project or programme that is exclusively for the benefit of Company's employees would not be considered as CSR. Company's primary focus areas for CSR activities are:

- (a) Eradicating hunger, poverty and malnutrition, promoting 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.
- (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 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;
- (i) Contribution or fund provided technology to incubators located within academic institutions which are approved by the Central Government.
- (j) rural development projects
- (k) slum area development.
- (l) disaster management, including relief, rehabilitation and reconstruction activities.

The company may identify activities apart from the aforesaid mentioned activities for carrying out the CSR activities and those identified activities need to be approved by the Board of Directors.

11. EFFECTIVE DATE

The Policy shall be effective from the date of approval of the Board of Directors of the Company.

12. AMENDMENTS

The Policy may be reviewed and amended from time to time by the Board.