

**APL METALS LIMITED**  
**APL Corporate Social Responsibility Policy (CSR Policy)**

**1. Context**

The Company has developed its CSR Policy in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government of India. This Policy, henceforth called –APL CSR Policy, underlines the guiding principles and mechanisms for undertaking various CSR activities/ programs by the Company.

The company has constituted CSR Committee to assist the Board in carrying out its responsibility within the framework of social needs, legal and regulatory compliances by adopting acceptable best practices.

**2. Objectives**

The objectives of the APL CSR Policy are to:

- Increasingly contribute to activities that are beneficial to the society and community at large.
- Chart out a mechanism for undertaking CSR activities directly or engaging approved external agency to carry out such activities in compliance to the existing and up dated legal and regulatory requirements.

**3. Organization Mechanism**

**Composition of the CSR Committee:**

The CSR Committee shall be constituted by the Board of Directors of the Company pursuant to the provisions of Section 135 of the Companies Act, 2013, as amended from time to time. The Company Secretary shall act as the Secretary for organizing meeting; keeping records of minutes and such other responsibilities as may be decided by the Board.

**Roles and responsibilities of the CSR Committee**

- (i) The CSR Committee comprising of its members and one chairman/person shall be responsible for formulating the CSR Policy and proposing revisions as and when required subject to the approval of the Board of Directors.
- (ii) Proposing budget allocation for the CSR activities, subject to the approval of the Board of Directors.
- (iii) Identifying modalities of implementing the CSR activities.
- (iv) Formulation of an effective monitoring system and monitoring the progress of the CSR programs on a regular basis.
- (v) Review of the impact assessment.
- (vi) Annually report to the Board, the status of CSR activities and contributions made for disclosure and reporting compliances.
- (vii) The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

**4. Areas of Focus**

Appendix – I of APL CSR policy lists out the detailed CSR activities to be implemented by the Company. Such list is indicative and not exhaustive in nature. Also the CSR activities undertaken shall not be in pursuance of the normal course of business of the Company. Further, the programs or activities that benefit only the employees of the Company or their families shall not be considered as CSR activities.

The Board of Directors and / or the CSR Committee reserve the right to modify, alter or otherwise update the Appendix -I from time to time, and as it deems fit. If there is any inconsistency between APL CSR Policy, Appendix-I and / or the Indian regulations, the requirements of the Indian regulations shall prevail. In such a scenario, the Board of Directors

and / or the CSR Committee shall modify, alter or update the APL CSR Policy and /or Appendix -I to ensure it meets the requirements of such regulations.

The CSR Committee of Directors (hereinafter referred to as the -CSR Committee) will decide on the activities to be undertaken in each financial year and the budget allocation for the same.

## **5. CSR Funding & Allocation**

The Board of Directors (board) will allocate 2% of its average net profits made during the 3 immediately preceding financial years computed as per Section- 198 of the Act as its Annual CSR Budget. The Annual CSR Budget shall be spent on projects / activities as laid down in this Policy.

The administrative overheads shall not exceed five percent of total CSR expenditure of the company ..

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

If a company spends on CSR activities in excess of 2% of Net Profit under Section 135 (5), such excess amount may be set off with the CSR Expenditure of succeeding three financial years under Section-135(5) subject to the conditions that-

(i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of the CSR rule under the Act

(ii) the Board of the company shall pass a resolution to that effect.

Transfer of unspent CSR amount. – Until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Ac

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, in compliance to Company CSR Rule-7(4) 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 or
- b. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c. a public authority

The company shall comply with the Rules framed by Government for above

## **6. Annual Action Plan**

The Board level Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for formulating and recommending to the Board the CSR policy and a CSR annual action plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.

The CSR Annual Action Plan shall include the followings :-

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act,
- b) the manner of execution of such projects or programmes,
- c) the modalities of utilisation 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.

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

## **7. Implementations**

The CSR Committee may recommend implementation of the CSR programs by one or more of the following methods:

- (a) directly by the company; and/or
- (b) 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, established by the company, either singly or along with any other company, or
- (c) 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
- (d) any entity established under an Act of Parliament or a State legislature; or
- (e) 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.
- (f) Every entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar.

The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programmes.

## **8. Impact Assessment**

The CSR committee shall decide the need for impact assessment to be conducted if so required by Law.

## **9. Monitoring and Evaluation Framework**

For each CSR activity/program approved under this CSR Policy, the suggested framework for monitoring and evaluation will be as per the recommendations of the High Level Committee set up by the Ministry of Corporate Affairs, Government of India, to suggest measures for improved monitoring of the implementation of CSR policies by companies under Section 135 of the Companies Act, 2013.

## **10. Amendments**

The CSR Policy may be amended by the CSR Committee, as and when required, subject to the approval of the Board of Directors of APL. The provision of this CSR policy shall be deemed to be amended to the extent modified by any amendment to the Rules by the Govt.

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**Appendix- I**

List of CSR activities which may be undertaken by the Company (APL Metals Limited)

- eradicating hunger, poverty and malnutrition, (promoting health care including preventive health care) and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- enduring environmental sustainability, ecological balance, protection of flora and fauna, animal, welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- 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 arts and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sport, nationally recognized sports, Paralympics sports and Olympic sports;
- Contribution to the Prime Minister' National Relief Fund or any other fund set up by the Central Government for socio - economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects;
- Any other projects or activities as may be approved by the Central Government pursuant to section 135 of the Companies Act, 2013, from time to time.
- Slum area development
- Disaster management, including relief, rehabilitation and reconstruction activities

The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only will qualify for CSR Expenditure in accordance with the provisions of the Act. The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and areas 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 CSR committee at the forth coming meeting for noting and record. The Chairman will ensure that the expenses/contribution will be in full compliance of the CSR Policy

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**Note: The above CSR Policy of APL Metals Limited was recommended by CSR Committee and approved by Board at their Meeting held on 12th February, 2022.**