

CSR POLICY OF PRADEEP METALS LIMITED

Pradeep Metals Limited (PML) is committed to contribute to harmonious and sustainable development of the society. We recognize that business enterprises are economic organs of society that draw on various societal resources for its functioning and growth. It is our core belief therefore that a Company's performance must be measured not only by its bottom line but also with respect to the social contributions made by the Company while achieving its financial goals.

A. CSR Vision

To be a catalyst for a more equitable and inclusive society by supporting long term sustainable transformation and social integration.

B. CSR Mission

We will achieve our vision by

- Implementing need based projects in the under developed areas
- Focusing on making the community Self-Reliant with the help of local NGOs'

C. CSR Values

The values that will govern to achieve our vision are

- Care
- Excellence, and
- Sustainability

D. CSR focus area

PML CSR activities will focus not just around our Factory but also in other geographies based on the needs of the communities. The CSR focus areas for community to progress are:

1. Education and Empowerment

Education is a basic human right pivotal to personal and societal development and so is an integral part of our CSR work. Under education we will work and support promotion of primary education and employment oriented training especially among women and youth.

2. Employability and Entrepreneurship

A major factor contributing to rural youth underemployment is skills mismatch with huge skills deficit in limited job growth and expansion. We will work on enhancing vocation skills especially among youth and women. We will also work on livelihood enhancement

projects through Self Help Group and Entrepreneurship development program with women and economically backward groups.

3. Health and Sanitation

We will work on providing better health awareness programs, health check-up program, program for preventing diseases and building immunity, etc. We will also work on aspects of water, sanitation and hygiene because of which the health and financial burden on poor people is high. We will work on awareness program, construction of toilets in schools and construction of toilets for general needy community.

4. National / Local area need

We will respond to national need of relief or rebuild which can arise from floods, earthquakes, tsunamis, etc. and causes loss of life or property damage, and typically leaves economic damage in area. We will respond to any disasters, depending upon where they have occurred and Company's ability to respond meaningfully.

E. CSR Implementation

In accordance with sub-section (1) of section 135 of the Companies Act, 2013, PML has set up a CSR Committee to advise on the Company's CSR Policy and monitor the CSR activities of PML. All projects are identified as per needs of the community. We will strive to implement the aforesaid CSR activities on our own to the extent possible. We will also work in partnership with other organizations which include:

- Collaborating with various organizations, which are registered as a Trust or a section 8 Company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India that specialize in the aforesaid activities.
- Contribution to various funds which are aligned to our CSR focus area
- Collaborating or pooling resources with our group companies or other companies to undertake aforesaid CSR activities

F. CSR Resource contribution

- The Funds : Minimum 2% of the average of net profit made by the Company during immediately preceding three financial years as per Companies Act, 2013.
 - Any income arising there from.
 - Surplus arising out of CSR activities carried out by the Company and such surplus will not be part of business profit of the Company.

G. CSR Monitoring

The CSR initiatives will be monitored and reviewed periodically through a two tier structure comprising: CSR Committee of the Board and CSR Review meeting by MD of the Company.

The CSR Department will provide regular progress report to the MD and the CSR Committee of the Board. This report would indicate:

- ✓ Achievement since last progress report/during the last quarter in terms of coverage compared to the target and reasons for variance.
- ✓ Achievement of year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR Committee/Board to overcome the shortfalls
- ✓ Actual year-to-date spends compared to the budget and reasons for variance.
- ✓ In respect of activities undertaken through outside Trust/Society/NGOs', etc. there will be a mechanism of quarterly reporting of progress on each such activities and the amount incurred thereon.

The Board shall seek a short progress report from the CSR Committee on a quarterly basis.

5. DECIDE THE FRAMEWORK OF CSR ACTIVITIES TO BE UNDERTAKEN DURING THE F.Y. 2015-16

The Chairman informed the Committee members that the amount Company needs to spend on CSR activities during F.Y. 2015-16 is around Rs. 18.97 Lacs. Members discussed and decided that the prime focus of the CSR expenditure for FY 2015-16 should be on 2 areas as stated below:

Health: Creating Nationwide awareness of cancer, its treatment and curing disabled people and

Education: Promoting education by giving school kit, providing hostel facility and education to girl child (orphan) and providing education to tribal children.

The Chairman further briefed about a Non-Governmental Organization (NGO) named 'Friends of Tribal Society' which undertakes various activities to promote health care, rural development, education etc. After due deliberations and evaluation, Members decided to budget an approximate expenditure of Rs. 14.61 Lacs on the projects undertaken by 'Friends of Tribal Society'.

Revised on 10th August, 2015.