

U. P. ASBESTOS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

- (a) Corporate Social Responsibility ("**CSR**") at U. P. Asbestos Limited ("**Company**" or "**UPAL**") portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute for social and economic development on regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behaviour towards its employees, consumers and societies in which it operates. We are of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholder's lives.
- (b) This CSR Policy shall operate as the corporate social responsibility policy of the Company for the purposes of Section 135 of the Companies Act, 2013 and the rules made thereunder including the Companies (Corporate Social Responsibility Policy) Rules 2014 ("**CSR Rules**") as amended from time to time.

2. APPLICABILITY

- (a) U. P. Asbestos Limited CSR Policy has been formulated in consonance with Section 135 of the Companies Act, 2013 read with the CSR Rules notified by the Ministry of Corporate Affairs, Government of India.
- (b) This Policy shall apply to all CSR projects / programmes undertaken by the Company in India as per the Companies Act, 2013.
- (c) This policy is adopted by Board of Directors on 28th June 2021.

3. DEFINITIONS

"**Act**" means the Companies Act, 2013, as amended from time to time. "**Board**" means the Board of Directors of the Company.

"**Company**" means 'U. P. Asbestos Limited'.

"**CSR**" means Corporate Social Responsibility.

"**CSR Committee**" means Corporate Social Responsibility Committee of the Company constituted by the Board.

"**CSR Rules**" means Companies (Corporate Social Responsibility Policy) Rules 2014 and amendments thereon.

"**CSR Policy**" means this Policy.

"**CSR Expenditure**" shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee

"Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provision of the Act.

However, it shall not include:

- (i) profits arising from overseas branch/es of the company; and
- (ii) dividend received from other companies in India covered under and complying with Section 135 of the Act.

"NGO" means non-governmental organisation.

4. VISION AND POLICY STATEMENT

- (a) Through sustainable measures, actively contribute to the social, economic and environmental development of the community in which the Company operates ensuring participation from the community and thereby create value for the nation.
- (b) The CSR Committee will annually recommend the CSR programmes and projects to the Board for its approval. The Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities.

5. CSR PROGRAMMES AND PROJECTS

- (a) The Company proposes to adopt one or more of the following CSR activities as prescribed by applicable laws, including Schedule VII of the Companies Act, 2013, as amended from time to time:
 - (i) 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;
 - (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - (iii) promoting gender equality empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
 - (iv) 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 CleanGanga Fund set-up by the Central Government for rejuvenation of river Ganga;
 - (v) 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;
 - (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
 - (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
 - (viii) contribution to the Prime Minister's 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;

- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
 - (x) rural development projects.
 - (xi) Slum area development includes 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.
 - (xii) Such other activities as may be permitted under applicable laws, including Schedule VII of the Companies Act, 2013, as amended from time to time.
- (b) The CSR activities shall be undertaken within the territory of the Republic of India.
 - (c) The Company's CSR projects and programmes will be undertaken by the Company by itself or with joint and collaborative efforts of other companies.
 - (d) The CSR projects and programmes may also be implemented through registered public charitable trusts, not-for-profit companies set up under Section 8 of the Companies Act, 2013 (corresponding to Section 25 of the Companies Act, 1956) through recognized and reputed NGOs and similar entities.

6. CSR COMMITTEE

- (a) As per Section 135(9) of the Companies Act, 2013:
Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company
- (b) The CSR Policy of the Company shall be implemented, managed and supervised by the Board of Directors of the Company considering the statute as framed under Section 138(9) of the Companies Act, 2013 till the threshold for CSR Expenditure crosses or Board decided to frame a committee for the same.
- (c) The CSR policy and programs shall be implemented, managed and supervised by the CSR committee once framed, appointed by the Board.
- (d) The CSR Committee shall comprise at least of such number of directors as is mandatorily required by applicable laws.
- (e) The Board/Committee shall as the case may be inter alia:
 - (i) Formulate and update the CSR Policy which will be approved by the Board;
 - (ii) Decide the CSR activities to be taken up by the Company in accordance with this Policy;
 - (iii) Decide the amount to be allocated for each project or activity;
 - (iv) Oversee and monitor the progress of the initiatives rolled out under this Policy; and
 - (v) Submit a report, to the Board on all CSR activities undertaken during the financial year
- (f) The Committee shall meet at least once in a financial year.

7. FINANCIAL OUTLAY FOR CSR ACTIVITIES

- (a) Every year, the Company shall with the approval of its Board make a budgetary allocation for CSR activities/ projects for the year. The budgetary allocation will be based on the profitability of the Company and the requirements of applicable laws.
- (b) The Company expects to spend the budgeted amount allocated for CSR activities/ projects planned for each financial year, within that year. If for any reason, the budget of a year remains unutilised, the same would not lapse and would be carried forward to the next year for expenditure on CSR activities, which were planned for implementation in the previous year, but could not be completed due to some reason. The CSR Committee and the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR activities as planned for that year.
- (c) The amount allocated for emergency needs but not utilised in the year of its allocation may be carried forward to the next year for utilization for CSR activities.
- (d) Any surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

8. IMPLEMENTATION

- (a) The Company will integrate its CSR plans and strategy with its business plans and strategies. For effective implementation, long-term CSR plans will be broken down into medium-term and short-term plans. Each plan recommended by the Board/CSR Committee as the case may be should specify the CSR activities planned to be undertaken for each year, define the responsibilities of the designated authorities to be engaged in this task, and also prescribe the measurable and the expected outcome and social/ environmental impact of the CSR activities.
- (b) The Company recognizes that the period of implementation of its long term CSR projects can extend over several years depending upon the expected outcomes/ impact thereof. While planning for such long term projects the Board/CSR Committee as the case may be would estimate the total cost of each project and recommend to the board of directors of the Company that the Company should commit such amount for long term expenditure till the completion of the project.
- (c) Each long term project will be broken up into annual targets and activities to be implemented sequentially on a yearly basis, and the budget would have to be allocated for the implementation of these activities and achievement of targets set for each successive year, till the final completion of the project.
- (d) Where the CSR activities are closely aligned with the business strategy and the Company possesses core competence to do it, the Company may take up the implementation of CSR project with its own manpower and resources, if the Board/CSR Committee as the case may be is confident of its organisational capability to execute such projects.
- (e) If in the opinion of the Board/CSR Committee as the case may be, the implementation of CSR projects requires specialised knowledge and skills, and if the Company does not have such expertise in-house, the wherewithal, and dedicated staff to carry out such activities, the CSR Committee may recommend to avail the services of external specialised agencies for the implementation of such CSR projects.

- (f) In the event an external agency is engaged for the purposes of the CSR initiatives of the Company, the Company will need to enter into an agreement with the relevant executing/implementing external agency, setting out the terms and conditions of the engagement of the external agency.

9. MONITORING

- (a) The Company recognises that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of targets. Monitoring may be done periodically with the help of identified key performance indicators, the periodicity being determined primarily by the nature of key performance indicators.
- (b) Monitoring will be done in project mode with continuous feedback mechanism, and recourse always available for mid-course correction in implementation, whenever required.
- (c) The performance of the Company's CSR activities would be monitored on the basis of their achievement of annual targets and the utilization of their annual budgets for the activities planned and the targets set for each year.
- (d) Implementation and monitoring of the CSR activities will be overseen by the Board/CSR Committee as the case may be. The monitoring and evaluation may be assigned by the Board/CSR Committee as the case may be to an independent external agency for the sake of objectivity and transparency.
- (e) If the projects are being implemented by external agencies, the Company may in consultation with Board/CSR Committee as the case may be designate special executives for monitoring.

10. INFORMATION DISSEMINATION

- (a) The Company's engagement in this domain is disseminated on its website, annual reports and its house journals as and when deem fit.
- (b) Further the contents of the CSR Policy shall be disclosed in the Directors' Report and the same shall also be displayed on the Company's website.

11. GENERAL

- (a) In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the Board/CSR Committee as the case may be. In all such matters, the interpretation and decision of the Board/CSR Committee as the case may be shall be final.
- (b) All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws.
- (c) The Company reserves the right to modify, cancel, add, or amend this CSR Policy.

12. REVIEW OF THE POLICY

The Board/CSR Committee as the case may be shall review the CSR Policy from time to time based on the changing needs and make suitable modifications as may be necessary with the approval of the Board.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Place: Lucknow

.....

UPAL