

SAMBHV STEEL TUBES LIMITED
(CORPORATE SOCIAL RESPONSIBILITY POLICY)
(AMENDED AS ON AUGUST 11, 2025)

At **Sambhv Steel Tubes Limited**, our commitment to Corporate Social Responsibility (CSR) reflects our core belief that businesses should play a vital role in fostering sustainable development and enhancing the well-being of the communities we serve. We are dedicated to creating positive social and environmental impacts through our various initiatives, which are designed to address pressing challenges and empower individuals.

The prioritized areas for CSR activities of **Sambhv Steel Tubes Limited** are as listed in Schedule VII of Companies Act 2013.

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 "Sambhv Steel 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 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 notified by the Ministry of Corporate Affairs on February 27, 2014 and January 22, 2021 respectively. Notwithstanding any provision mentioned in this Policy, any change thereto with respect to the legal framework of Corporate Social Responsibility as specified in

Section 135 of the Companies Act, 2013 read with relevant rules, shall have effect including the statutory amendment and modifications thereto in the legal provisions.

2. DEFINITIONS:

‘Act’ means the Companies Act, 2013;

“Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

‘Board’ means the Board of Directors of Sambhv Steel Tubes Limited;

‘Company’ means Sambhv Steel Tubes Limited;

‘Corporate Social Responsibility (CSR)’ means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in rules thereunder.

‘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;

‘CSR Committee’ means the committee constituted under the provisions of Section 135 of the Act;

‘Directors’ shall mean the directors of the Company;

‘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.

‘Ongoing Project’ means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include 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.

‘Rules’ means the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time.

Please note that meaning/definition of the words/ abbreviations used in this policy shall have the same meaning as defined under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

3. CSR VISION & OBJECTIVE:

Corporate Social Responsibility (CSR) is a fundamental aspect of our corporate governance, embedded within our business model as a self-regulating mechanism. This Policy establishes a framework to ensure the organization actively monitors and upholds its adherence to legal obligations, ethical standards, and international norms.

The primary objective of this Policy is to define the core principles and provide a comprehensive framework for action, guiding management in the effective implementation and fulfilment of our corporate social responsibilities.

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 With the recommendation of the Nomination & remuneration Committee of the Company.

❖ **Role of CSR Committee:**

- a. To formulating and recommending to the Board, the policy on corporate social responsibility (“CSR”, and such policy, the “CSR Policy”), indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act;
- b. To identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;;
- c. To recommending the amount of expenditure to be incurred on the CSR activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company; formulating the annual action plan of the Company.
- d. To delegating responsibilities to the CSR team and supervising proper execution of all delegated responsibilities
- e. To monitor the CSR Policy and CSR programmes and their implementation by the Company from time to time and issuing necessary directions as required for proper implementation and timely completion of CSR programmes: and
- f. Performing such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Corporate Social Responsibility Committee
- g. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - i. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ii. The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - iii. The modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. Monitoring and reporting mechanism for the projects or programmes; and
 - v. Details of need and impact assessment, if any, for the projects undertaken by the company;

The 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

- h. 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

5. CSR EXPENDITURE:

- (i) CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, 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 (if it's not related to ongoing project as mentioned in the act) to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- (ii) The Company shall spend up to 2% of the "net profit" of the Company for the purpose of CSR programs / activities. Further, if company spends any excess amount then the said 2% of net profits during any financial year such excess may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that :-
- a. 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 this rule; and
 - b. the Board of the company shall pass a resolution to that effect.

However, if the company doesn't spend the required 2% of its net profit during any of the financial year then the same shall be transferred to the fund specified in Schedule VII of the Companies Act, 2013 within a period of six months of the expiry of the financial year unless such unspent CSR funds are attributable/ allocated towards completion of such on-going projects as approved by the Board.

Further, any such unspent CSR amount of on-going projects shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the “Unspent Corporate Social Responsibility Account”, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

- (iii) Administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- (iv) The CSR amount may be spent by a company for creation or acquisition of a capital asset, 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 under sub-rule (2) of rule 4; or
 - b. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c. a public authority.

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 Swach 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 centres 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.

CSR expenditure shall be made as per the delegation of powers at various levels in the organisation as laid down and as per the annual CSR action plan as approved and within the overall budget allocation for CSR.

All expenses and contributions made for CSR activities within the delegated powers would be placed before the forthcoming CSR committee for noting and record. The CSR Committee will ensure that the expenses/contribution and donation will be in full compliance of the CSR Policy.

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,

- (a) ploughed back into the same project or
- (b) transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or
- (c) transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

9. AGENCY FOR IMPLEMENTATION:

The Company may undertake its CSR activities approved by the CSR Committee directly or

- 1) 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 (43 of 1961), established by the company, either singly or along with any other company, or

- 2) 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
- 3) any entity established under an Act of Parliament or a State legislature; or
- 4) 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.

Provided that these entities have got registered with the Central Government by filing Form CSR-1. 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 Committee shall supervise and monitor or delegate any official of the Company to supervise and monitor the CSR activities and expenditures.

10. MONITORING AND FEEDBACK:

- 1) The annual action plan approved by the Board every financial year, shall provide the manner in which CSR projects or activities undertaken during the said year, will be monitored.
- 2) 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.
- 3) 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.
- 4) CSR Head shall certify to the Board at the end of every financial year that CSR funds disbursed have been utilised for the purposes and in the manner as approved by Board.

11. IMPACT ASSESSMENT:

The Company may take up appropriate evaluation and impact assessment of its CSR projects or activities on voluntary basis. External parties may be engaged for this, right from inception to ensure objective assessment across baseline and end line

parameters. There shall be clarity about the objective/ scope of the project and the need it is attempting to address. Impact assessment of the project is to be done after a reasonable duration. For conducting the Impact assessment, it is necessary that the baseline data or indicators are well defined.

In case the Company's average CSR obligation is of ten crore rupees or more, in the three immediately preceding financial years, the Company shall mandatorily undertake impact assessment, through an independent agency, of their CSR projects or activities having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Further, the Board on the recommendation of the CSR Committee shall appoint the impact assessment agency.

Any expenditure incurred on impact assessment may also be booked towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

12. DISCLOSURES:

- a) The Board's report, being a part of the Annual Report shall disclose the composition of the Corporate Social Responsibility Committee, web-link of the CSR policy along with salient features of the policy and changes (if any) undertaken during the last financial year and the CSR initiatives undertaken. This CSR Policy shall also be placed on the website of the Company.
- b) Composition of the CSR Committee, approved by the Board shall mandatorily be disclosed on the website of the Company and be updated on regular intervals, for public access.
- c) CSR Policy and Projects on the recommendation of the Committee , approved by the Board shall mandatorily be disclosed on the website of the Company and be updated on regular intervals, for public access.

13. MISCELLANEOUS:

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.

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