

**CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR) OF
SCHWING STETTER (INDIA) PRIVATE LIMITED**

CIN: U45309TN1998PTC046270

1. INTRODUCTION:

Schwing Stetter (India) Private Limited (“SSI”) is a 100% subsidiary of Schwing Group of Companies. SSI was incorporated in the year 1998. SSI is the pioneer of Indian Concrete Construction equipment Industry catering to the Indian Customers with world class concrete construction equipment. SSI employs more than 1600 experienced & skilled personnel working in 4 factories and 22 branches all over India catering to the diverse customer needs from its design center.

2. PHILOSOPHY:

SSI believes in taking an active role and responsibility in empowering community in which it operates through social development initiatives, which drive positive change and support its objective in improving and sustaining the health and well being of humanity.

3. CSR VISION:

SSI CSR vision is “Giving back to the society”. As a part of CSR Program, SSI would like to engage in following projects that are socially relevant and demanding in the locality surrounding the corporate office area and other localities where the Company has branches or other places of business:

- a. Promotion of Education & skill development program.
- b. Undertaking Rural Development Projects.
- c. Undertaking Health Care program to promote awareness on Health & Hygiene.
- d. Promoting the culture of adherence to traffic discipline and Road safety awareness.
- e. Working to promote clean environment.

4. LEGISLATIVE BACKING:

While this policy is the stated positions of SSI in the area of Corporate Social Responsibility, it also has linkage to the regulatory requirements as prescribed under the Companies Act, 2013 and rules made there under.

The CSR Policy is aligned and subject to the following legislations and rules established there under:

- a. Section 135 of the Companies Act, 2013;
- b. Companies (CSR Policy) Rules 2014;
- c. Schedule - VII of the Companies Act, 2013 and

d. General Circulars/Notifications issued by the Ministry of Corporate Affairs from time to time.

5. DEFINITIONS:

“**ACT**” means the Companies Act, 2013.

“**AVERAGE NET PROFIT**” means the profit calculated in accordance with the provision of Section 198 of the Act.

“**COMPANY**” means **SCHWING STETTER (INDIA) PRIVATE LIMITED**.

“**CSR COMMITTEE**” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

“**NET PROFIT**” means the net profit of the Company as per its financial statement prepared in accordance with the applicable provision of the Act, but shall not include the following namely:-

- a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- b. any dividend from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, shall not be required to be re-calculated in accordance with the provisions of the Act.

“**NET WORTH**” means the aggregate value of the paid up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

“**RULES**” means the Company (Corporate Social Responsibility Policy) Rules, 2014.

“**TURNOVER**” means the aggregate value of the realization of amount made from the sale, supply or distribution of goods or on account of services rendered, or both by the Company during the financial year.

Words and expressions used and not defined hereinabove but defined under the Act / or Rules shall have the same meanings respectively assigned to them in the Act and or Rules, as the case may be.

6. POLICY STATEMENT:

The Company will implement its CSR initiatives, under the following principles:

1. PROMOTION OF EDUCATION & SKILL DEVELOPMENT PROGRAM:

SSI may undertake projects or programs or activities aimed at the promotion of elementary to professional education and to support the students belonging to weaker sections of the society including SC/ST/OBCs by following ways:

- a. Setting up schools, colleges, coaching centers.
- b. Providing libraries, textbooks and other study materials.
- c. Subsidizing salary for schoolteachers.
- d. Subsidizing sports activities for students.
- e. Vocational training centers and centers for physically challenged students.
- f. Providing endowments or other forms of recognitions to successful candidates pursuing recognized examinations.
- g. Girl child education.
- h. Scholarships for students and other forms of merit cum means assistance etc.
- i. Programs for Digital Literacy/Computer Education.
- j. Undertaking Skill Development program aimed at enhancing employment opportunities.

2. UNDERTAKING RURAL DEVELOPMENT PROJECTS:

SSI aims to create a meaningful and lasting impact on the communities in remote areas by helping them transcend barriers of socio-economic development. SSI seeks to promote rural development through following ways:

- a. Promoting Sanitation.
- b. Making available safe drinking water.
- c. Crop Productivity Improvement.
- d. Live Stock/Dairy Development.
- e. Promotion of healthy lifestyle.
- f. Developing social infrastructure facilities.

3. UNDERTAKING HEALTH CARE PROGRAM TO PROMOTE AWARENESS ON HEALTH & HYGIENE:

SSI intends to reach out to people from every walk of life to help them stay healthy. The objective is to promote wellness and treatment. SSI aims to promote preventive healthcare in the locality surrounding the corporate office area and other localities where the Company has branches or other places of business in India. To do this SSI will:

- a. Conduct free screening and diagnostics camps as part of promotion of preventive healthcare.
- b. Conduct pulse polio program.
- c. Mobile Clinics-Doctors visits.
- d. General and multispecialty medical camps.
- e. HIV/AIDS, Cancer, TB awareness and prevention camps.
- f. Blood Donation program.

4. PROMOTING THE CULTURE OF ADHERENCE TO TRAFFIC DISCIPLINE AND ROAD SAFETY AWARENESS:

SSI aims to create a meaningful and lasting impact on the communities by promoting various programs on Road Safety Awareness and Traffic Discipline. SSI would undertake the following in this regard.

- a. Road shows to promote effective Driving skills leading to safe, economic and eco-friendly driving.
- b. Conduct programs to promote fuel-efficient driving techniques.
- c. Conduct programs to educate motorists on Traffic Discipline.
- d. Producing multimedia clip for free distribution to all road users.

5. WORKING TO PROMOTE CLEAN ENVIRONMENT:

SSI may take up and carry on projects, programs or activities aimed at protection of environment such as maintaining streets, sub-ways, parks in the locality surrounding the corporate office area and other localities where the Company has branches or other place of business in India.

6. EXECUTION OF PROJECTS/PROGRAMS:

SSI may undertake one or more projects or programs or activities provided in the policy either as its own or through any implementation agency. It shall be the endeavor of the Company to build up necessary capabilities to implement the CSR projects on its own in the long run. It can also acquire the services of experts in respective fields by appointing them as consultants in a particular program or project. Where implementation agencies are appointed for a particular project, the Company shall acquire the necessary skills to run the program on its own within 3-5 years from its implementation where it is a continuing program. While engaging a third party agency for implementing a project or program covered in the CSR policy, the CSR Committee shall ensure that they have credible standing and experience in the respective fields for at least three preceding financial years.

7. APPLICABILITY

The policy shall be applicable to all CSR activities of the Company whether carried by it or through any implementation agency with effect from 01.01.2014.

8. COMPOSITION CSR COMMITTEE:

The CSR Committee shall consists of the following Directors:

- a. Mr. Anand Sundaresan – Vice Chairman and Managing Director
- b. Mr. A.R. Subramanian – Executive Director – Finance & Company Secretary
- c. Mr. V.G. Sakthikumar – Whole Time Director - Operations

9. ROLES AND RESPONSIBILITY OF THE CSR COMMITTEE:

The roles and responsibility of the CSR Committee are to:

- a. Draft the CSR policy and recommend the same to the Board for approval.
- b. Review and recommend any new CSR initiatives to be taken up by the Company including the selection/appointment of implementation agencies.
- c. Review the progress of CSR projects undertaken by the Company and the utilization of budgets for each such project.
- d. Review and recommend the CSR report to be included in the Board's report.
- e. Review and recommend any amendments to be made in the CSR policy of the Company.
- f. To carry such other functions as may be delegated to it by the Board relating to CSR activities of the Company.

10. MONITORING OF CSR ACTIVITIES:

CSR Committee of the Board will be responsible for the monitoring of various CSR projects or programs undertaken by the Company directly or indirectly. The committee shall ensure that;

- a. Company undertakes the CSR activities as provided in the CSR policy.
- b. The projects/ programs are implemented as per the program approved by the Board.
- c. The budget allocated for CSR projects is utilized as per the approved plan.
- d. The objective of the project/program is achieved as per the plan.

Company shall provide necessary resources and human capital for implementation and the effective monitoring of the CSR projects and programs as may be directed by the CSR committee. The services of any external agencies or persons who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the company may also be made available for successful implementation and monitoring of the project.

The CSR Committee Members are severally authorized to nominate the Steering Committee Members, volunteers, NGOs and external agencies, as may be required, from time to time.

11. REPORTING / DISCLOSURE:

Following disclosure requirements need to be complied in relation to CSR activities of the Company:

- a. Composition of the CSR Committee shall be disclosed in the Board's Report,
- b. The Board's Report shall include an annual report on CSR activities in prescribed format containing specified particulars i.e., brief outline of CSR Policy, its content the average net profit for the last 3 financial years and the prescribed CSR Expenditure etc,
- c. If the Company fails to spend the prescribed amount, the Board shall, in its report specify the reasons for not spending the amount,
- d. The content of CSR Policy shall be displayed on the Company's website, if any;
- e. A comprehensive annual CSR Report detailing the initiatives with relevant annexures and photographs along with account statement (all-inclusive) shall be created and communicated for internal company records.
