



***SHETHIA ERECTOR'S AND MATERIAL
HANDLERS LTD***

Corporate Social Responsibility Policy

CORPORATE SOCIAL RESPONSIBILITY POLICY

INTRODUCTION

Shethia Erector's and Material Handlers Limited (the "Company") (SEMHL) believes that Corporate Social Responsibility ("CSR") extends beyond the ambit of business and should focus on a broad portfolio of assets - human, physical, environmental and social.

We, at SEMHL believe in 4 core essentials of Corporate Social Responsibilities – sustainability of environment, ethical functioning, Charitable Support and care for stakeholders. We focus on charitable support. Our governance systems are underpinned by Ethics, Transparency and Accountability and non-indulgence in any unfair practices. The Company has a long history of supporting charity to welfare center and education trusts etc. We also provide a workplace to its employees that are safe, hygienic and humane with access to training and development of skills. We believe in being responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them.

To streamline the assessment & screening procedure, bring clarity among executing link of CSR, to increase the level of involvement through dedicated work force for CSR activities in all levels of operation and complying the directives of Companies Act, 2013, SEMHL desires to formulate comprehensive Corporate Social Responsibility policy.

The Policy will provide an institutional framework to establish an efficient and effective platform to perform CSR activities. It will ascertain roles & responsibility, budget provision, disclosures, etc.

This policy shall apply to all CSR initiatives and activities taken up by SEMHL for the benefit of different segments of the society, specifically the deprived, under privileged and differently able people.

I. OBJECT

The main objectives of SEMHL's CSR policy

- To directly or indirectly take up programs that benefit communities in general, over a period of time in enhancing the quality of life & economic well being of the local populace.
- To directly or indirectly indulge in helping the poor to get education and medical reliefs.

II. REGULATORY FRAMEWORK THE COMPANIES ACT 2013

Section 134 & 135 of the Companies Act 2013 creates an obligation to have Corporate Social Responsibility Committee of the Board and its own CSR Policy. Provision of CSR under the Companies Act 2013 is as follow:

1. As per **Section 134 of the Companies Act 2013**, in Financial Statement, Board's report, etc., following provisions needs to be considered:

The Report by its Board of Directors shall include the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

2. As per **Section 135 of the Companies Act 2013**, following provisions need to be considered:

135. Corporate Social Responsibility

- i) Every company having **net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more** during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
 - ii) The Board's report under sub-section (3) of Section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
 - iii) The Corporate Social Responsibility Committee shall,—
 - (a) **Formulate and recommend to the Board, a Corporate Social Responsibility Policy** which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
 - (b) **Recommend the amount of expenditure** to be incurred on the activities referred to in clause (a); and
 - (c) **Monitor the Corporate Social Responsibility Policy** of the company from time to time.
3. The Board of every company referred to in sub-section (1) shall,—
- (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the Company and disclose contents of such Policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed; and
 - (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the Company.
4. The Board of every company referred to in sub-section (1), shall ensure that the **company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years**, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.— For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

5. Further **Companies (Corporate Social Responsibility Policy) Rules, 2014 dated 27.02.2014** and **Amendment to Schedule VII dated 27.02.2014** is implemented and came into force on 01.04.2014.

Activities under Amendment to Scheduled VII of the Companies Act, 2013 dated 27.02.2014, which may be included by companies in their Corporate Social Responsibility Policies.

In Schedule VII, for item (i) to (x) and the entries relating thereto, the following items and entries shall be substituted namely:-

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
 - ii. Promoting education, including special education and employment enhancing vocational 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 others 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;
 - v. Protection of nation heritage, art and culture including restoration of building 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 recognized sports, Paralympic sports and Olympic sports;
 - viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by Central Government for socio-economic development and relief and welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women;
 - ix. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
 - x. Rural development projects.
6. General Instructions for Preparation of Statement of Profit And Loss as per the Companies Act 2013 Additional Information.
- a) A Company shall disclose by way of notes additional information regarding aggregate expenditure and income on the following items:—

In case of Companies covered under section 135, amount of expenditure incurred on corporate social responsibility activities;
7. SEMHL is coming under the preview of Section 135 (1).
8. Considering directive under clause No. 135 (1) of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 dated 27.02.2014, SEMHL needs to establish Corporate Social Responsibility Committee of the Board consisting of three or more directors and comprehensive Corporate Social Responsibility Policy.

III. CSR ACTIVITIES (Funding & Allocation)

1. For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, SEMHL will allocate at least 2% of the average net profits of the Company made during the three immediately preceding years, as its Annual CSR Budget.
2. From the above Annual Budget allocation, the provisions for following CSR activities of the Corporation will be made but not limited to the same and may extend to other specific projects/programs as permitted under the law from time to time.

A. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;

- Contribution for purchase of Modern Medical equipment including cardiac ambulances to Government Hospitals, Community Health Centers, Government Health Societies.
- To arrange/promote medical camps, Blood donation camps etc.
- Construction of toilets in villages, Govt. schools etc.
- Arrangements for safe Drinking water

B. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects:

- To conduct /promote vocational guidance courses, skill development programs, etc

C. Protection of nation heritage, art and culture including restoration of building and sites if historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

- To set up public libraries

D. Contribution to the Prime Minister's National Relief Fund or any other fund set up by Central Government for socio-economic development and relief and welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women;

- Contribution to Prime Minister's National Relief Fund

E. Rural Development project

To adopt villages under rural development project and earmark funds for following activities:

1. Sanitation facilities
2. To promote cleanliness
3. To promote diversified agricultural livelihoods, including livestock and horticulture etc.
4. To promote rural industrialization
5. To promote and conduct Skill development programs
6. To organize Women Self Help Groups and financial inclusion
7. To promote environment development activities like roadside plantations, tree plantation in homesteads, schools and public institutions, social forestry etc.

8. To promote watershed management especially revival of traditional water bodies.
9. To promote awareness for local pollution of air, water and land.
10. Rainwater harvesting-roof top as well as others.
11. Pucca houses for all houseless poor/poor living in kutcha houses
12. Drinking water, preferably treated piped water with household taps
13. Internal all weather roads with covered drains and all-weather road connectivity to the main network
14. To promote solar energy, Solar light on streets.
15. Pucca infrastructure for public institutions- Anganwadis, schools, health institutions, libraries etc.
16. Civic infrastructure including community halls, buildings for SHG federations, playgrounds, PDS outlets and burial grounds/crematoria
17. Village markets
18. Broadband, telecom connectivity and Common Service centres

F. Disaster Relief

- To provide medical aid, food, water etc in natural calamities.

IV. EXCLUSION FROM CSR

The following activity shall not form part of the CSR activities of the Company:-

- The activities undertaken in pursuance of normal course of business of the Corporation.
- CSR projects/programs or activities that benefit only the employees of the Corporation and their families.
- Any contribution directly/indirectly to political party or any funds directed to political parties or political causes.
- Any CSR projects/programs or activities undertaken outside India.

V. BUDGET PROVISION

CSR Committee shall meet in the beginning of each year and review, recommend the allocation of funds for CSR activities/programs in terms of the provisions of the Companies Act, 2013 (including its amendments from time to time) for approval of the Board.

VI. IMPLEMENTATION:

1. CSR Programs will be undertaken by SEMHL to the best possible extent within the permissible activities under the Companies Act, 2013 or its amendments from time to time.
2. CSR activities may be done directly by the Company or through a registered trust or a registered Society/ NGO or Govt. Department or Government undertaking or any other implementing agency approved by the Board from time to time.
3. Identification of programs will be done by means of the following :
 - (a) Proposal recommended by CSR Committee and approved by the Board of Directors of SEMHL.

- (b) Request of local representatives/civic bodies/citizen's forums/ Voluntary organizations/ Govt. Societies or Samities.

VII. POWERS FOR APPROVAL

CSR programs identified needs to be put up to the CSR Committee at the beginning of each financial year which, in turn, will make its recommendations to the Board of Directors for approval.

VIII. MONITORING, FEEDBACK AND DISCLOSURE

1. To ensure effective implementation of the CSR programs undertaken, a monitoring mechanism will be put in place by Board.
2. The CSR Committee will conduct impact studies on a periodic basis, to be conducted by peer body, especially on the strategic and high value programs.
3. Such Impact Studies will obtain feedback from beneficiaries about the programs on which the funds of the Corporation have been spent.
4. CSR Committee may inspect CSR activities/asset/initiatives with approval of the Board.
5. Appropriate documentation of the SEMHL CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
6. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

IX. GENERAL

1. In case of any doubt with regard to any provision of the policy and, also in respect of matters not covered herein, a reference to be made to the Board. In all such matters, the interpretation & decision of the Board shall be final.
 2. Any or all the provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued by Government, from time to time.
 3. The Company reserves the right to modify, cancel, add, or amend any conditions or terms of this policy with the approval of Board of Directors.