STEEL STRIPS GROUP

CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

STEEL STRIPS WHEELS LIMITED (SSWL)

I. Preamble/ Philosophy

Steel Strips Wheels Limited (SSWL) believes in Corporate excellence and social welfare. This corporate philosophy is the force for integrating Corporate Social Responsibility (CSR) into SSWL values, culture, operation and business decisions at all levels of the organization. Being a responsible corporate citizen, SSWL has a value system of giving back to society and improving life of the people and the surrounding environment.

SSWL believes that the corporate strategy which embraces social developments as an integral part of the business activities ensures long term sustainability of business enterprises. With this belief SSWL is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

2. Definitions

(a) "Act" shall mean the Companies Act, 2013 including any modifications, amendments or re-enactment thereof.

(b) "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.

(c) "Board of Directors" or "Board" means the collective body of the directors of the Company.

(d) "CSR Programmes" means programmes, projects and/or activities carried out by the Company as per the provisions of the Act, rules framed thereunder, Schedule VII and this Policy.

"Company" means Steel Strips Wheels Limited (SSWL).

(e) "Corporate Social Responsibility (CSR)" means and include but is not limited to:-

(i) Projects or programs relating to activities specified in Schedule VII to the Act, or

(ii) Projects or programs relating to activities undertaken by the Board of Directors of a Company (Board) in pursuance of recommendation of the CSRS Committee of the Board as per declared policy of the company, subject to the conditions that such policy will cover subjects enumerated in the Schedule VII of the Act.

(f) Corporate Social Responsibility and Sustainability (CSRS) Committee" means a committee constituted by the Board of Directors of the Company from time to time.

(g) "CSR Policy" means a statement containing the approach and direction given by the Board of Directors of the Company, taking into account the recommendations of its CSRS Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

(h) "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;

(i) "Rules" shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any modifications, amendments or re-enactment thereof.

3. Interpretation

Words and expression used and not defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 or rules made thereunder and any amendment thereto from time to time.

4. Roles and Responsibilities of the CSRS Committee

In compliance to the provisions of Section 135 of the Companies Act, 2013 and rules framed there under, the company has constituted a CSRS Committee interalia to do the followings:

(i) to formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the company in areas or subject specified in Schedule VII of the Companies Act, 2013;

(ii) to recommend the amount of expenditure to be incurred on CSR activities referred to in clause (i);

(iii) to monitor the CSR policy of the Company from time to time;

(iv) to review and monitor Company's sustainability practices; and

(v) discharge such duties and functions as indicated in the section 135 of the Companies Act, 2013 and Rules made thereunder from time to time and such other functions as may be delegated to the Committee by the Board from time to time.

The Board of Directors of the Company, after taking into account the recommendation made by CSRS Committee, approve this Corporate Social Responsibility Policy for the company.

5. Guidelines

(a) CSR Activities

The CSR initiatives of the company are identified in consultation with the management, social experts, community and other stakeholders. It shall be undertaken by the company, as projects or programs or activities (either new or ongoing).

The identified focus areas for the company are:-

1. 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;

2. Promoting education, including supplement education and vocational training for children, training of teachers and employment enhancing vocation skills especially among children, women, elderly, and the differently able and livelihood enhancement projects;

3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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;

5. 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 ;

6. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;

8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

9. a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

10. Rural development projects

11. Slum area development;

12. Disaster management, including relief, rehabilitation and reconstruction activities.

13. Any activities or subjects specified in Schedule VII of the Act from time to time.

(b) CSR Expenditure

The company shall spend in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years on CSR projects/activities in accordance with the CSR policy. For this purpose, the net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Surplus, if any, arising out of the CSR projects, programmes or activities shall not form a part of the business profits of the Company and shall be ploughed back into the same CSR project or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

The Company may spend an amount not exceeding the limits as specified in the Companies Act, 2013 and relevant rules made thereunder and any amendment thereto from time to time, towards administrative expenses relating to the general management and administration of CSR 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.

If the Company spends an amount in excess of the requirement provided Section 135(5) of the Companies Act, 2013 then such excess amount may be set off against the requirement to spend upto immediate succeeding three financial years subject to following conditions: -

(i) the excess amount available for set off shall not include the surplus arising out of the CSR activities

(ii) the Board of the company shall pass a resolution for the same

Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months from the end of the relevant financial year.

In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.

(c) Implementation Process: -

The CSR Activities may be undertaken by the Company directly or with the prior approval of the Board, through any of the following entities as "Implementation Agency" duly registered with the Ministry of Corporate Affairs (MCA), Central Government by filing the form CSR-1 electronically with the Registrar and having a unique CSR Registration Number (with effect from 1 April 2021):

(i) a Company established by the company under Section 8 of the Companies Act, 2013 or a registered public trust or a registered society exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company;

(ii) a Company established under section 8 of the Companies Act, 2013 or a registered trust or a registered society, established by the Central Government or State Government;

(iii) a company established under section 8 of the Companies Act, 2013 or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or 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;

(iv) any entity established under an Act of Parliament or a State legislature

While engaging with such type of trust or society or section 8 company, SSWL will evaluate the credentials of the implementing entity and seek following documents, information and details:

- Memorandum/Article of Association or Constitution
- Registration Certificate under Ministry of Corporate Affairs (MCA),
- Registration Certificate under Section 12A
- Audited Accounts of last three years
- IT Exemption Certificate under Section 80G
- PAN Card
- IT Exemption Certificate under Section 35(i)
- Acknowledgement of Income Tax Return along with IT Return filed (last three years.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with theRules.

(d) Monitoring mechanism

The implementation of the CSR policy and execution of projects, programmes and activities undertaken by the Company shall be carried out under the overall superintendence, control and guidance of the CSRS Committee. The CSRS Committee shall closely monitor such activities and may also further depute company's employee, constitute internal monitoring groups and/or sub-committees for different projects, programmes and activities, as may be required from time to time. The CSRS Committee shall meet at least twice in a year to monitor the implementation of CSR Annual Action Plan and its activities. The minutes of the meetings of the CSRS Committee shall be placed before the Board of Directors for their information.

The CSR Activities to be undertaken by the Company under the Policy shall be approved by way of Annual Action Plan by the Board on the recommendation of the CSRS Committee.

The Annual Action Plan shall, inter alia, contain the following information with respect to the CSR Activity proposed to be undertaken by the Company:

i. the list of CSR activities or projects or programmes 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;
v. details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSRS Committee, based on the reasonable justification to that effect.

Every year, the CSRS Committee will place for the Board's approval, an annual action plan delineating the CSR Programmes to be carried out during the financial year and the succeeding years in the case of Ongoing Projects along with the specified budgets thereof.

The CSRS Committee shall also place before the Board, a draft annual report on CSR activities as per the specified format, in a Board meeting to be held in the following year for Board's review and finalization. The Board shall include in its report to the shareholders, the annual report on CSR activities as per the format specified under the Rules.

The CSR Policy may be modified from time to time by the Board of Directors of the Company on the recommendation of the CSRS Committee. The CSR policy as amended from time to time shall be placed on the company's website viz. www.sswlindia.com and its link shall be disclosed in the Board's Report of the company.

6. Review and Dissemination

The CSRS Committee 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.. The CSR Policy of the Company shall be uploaded on the Company's website for information of all stakeholders.

7. Limitation and Amendments

In the event of any conflict between any of the provision of this Policy and the Act or rules framed thereunder or any other statutory enactments, the provisions of such Act or rules or statutory enactments shall prevail over this Policy.

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

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