

SMCC Construction India Limited



(A SUBSIDIARY OF SUMITOMO MITSUI CONSTRUCTION COMPANY LTD., JAPAN)

Corporate Social Responsibility Policy

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1. Background

SMCC Construction India Limited incorporated in 12th December 1996 under Companies Act, 2013 (erstwhile Companies Act 1956) as subsidiary of Sumitomo Mitsui Construction Co. Ltd., Japan and operates as construction company involved in general construction, architectural and civil engineering services.

The companies Act 2013 (Act) mandates Corporate Social Responsibility (CSR) for all the companies under the category as mentioned in the Clause 135 of the Act. SMCC is committed to advocate the highest standards of CSR towards improving the socioeconomic status of the local communities, promoting health and Environment. The CSR policy is to define the guidelines and mechanism to carry out CSR activities in a effective manner which results in a positive impact on the local community and stakeholders.

2. Objectives

To define the guidelines & mechanism to carry out CSR activities in SMCC and to report the work in the format as prescribed under The Companies Act 2013 (“the Act”) and rules made thereunder as amended from time to time.

3. Scope

This CSR Policy aims to provide a guiding path for the CSR projects, activities, initiatives and/or program (together “CSR Project(s)”) being executed by the Company. The CSR Policy shall serve as the document which would provide a framework for selection, implementation, governance, management and monitoring of CSR initiatives and for formulation of the Annual Action Plan for the CSR Projects.

4. CSR Focus Areas

The Board of Directors (herein after referred to as ‘The Board’) of SMCC; have decided to adopt its amended CSR policy that will comply with the objectives and requirements set both in Section 135 of The Companies Act 2013, (herein after referred to as ‘The Act’) and the Rules notified thereunder (as amended from time to time).

SMCC would proactively consult Key stakeholders for undertaking their needs and design initiatives for social well-being of community. SMCC will focus on the following areas for CSR projects from amongst activities specified under Schedule VII of The Companies Act 2013 and Rules made thereunder:

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 special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled 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 centres 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, 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.
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 art 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, Paralympic 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. 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
10. 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 Organization (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).
11. Rural development projects and Slum area development
12. Disaster management, including relief, rehabilitation and reconstruction activities.

13. Any other area as may be prescribed by Schedule VII amended from time to time.

Prohibited Contributions

SMCC shall not make any contribution towards activities restricted in Rule 2(d) of The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

5. Constitution

5.1 The CSR committee shall consist of the following Directors of the Company

S.No	Name of the Director	Designation	Role in CSR Committee
1	Toshiyuki Shimizu	Managing Director	Member
2	Anup Rai	Whole Time Director	Member
3	G N Gupta	Independent Director	Member
4	Sanam Sachdeva	Director	Member

Pursuant to the provisions of Section 135 of the Companies Act 2013 read with the rules made thereunder (as amended from time to time) the Board of SMCC has formed the Corporate Social Responsibility (CSR) Committee

5.2 Powers & Duties of CSR Committee

- 5.2.1 Formulation and recommendation to the Board, of this CSR Policy, CSR Projects, CSR Budgets, CSR Spends and Annual Action Plans.
- 5.2.2 Recommendation of CSR Projects to be undertaken by TIPL under the Policy as per the company's philosophy and in alignment with Act and Rules framed thereunder as amended from time to time
- 5.2.3 Prepare and recommend to the Board an annual action plan in line with the CSR policy which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, implementation schedules, monitoring and reporting mechanism etc.
- 5.2.4 Appointment of such persons or bodies, as it may deem fit, for the execution of the CSR Projects within the specified budgets and time-frames. The CSR Committee shall have proper documents, workings and reasons as a back-up to support the selections made by CSR Committee for purpose of implementation of CSR Projects of the Company. Such documents shall be made available to the Board or to any person authorized by the Board for inspection, upon such directions by the Board
- 5.2.5 To take responsibility for the proper implementation and execution of CSR Projects of the Company.

- 5.2.6 To carry out external and independent assessment to review quality of process, project measures and impact at different stages of implementation of the CSR Projects, as it may deem fit.
- 5.2.7 Institutionalization of a transparent internal monitoring mechanism in place to track the progress of each project and monitor, review and evaluate the operations of the CSR projects or initiatives or programs or activities at such frequency as it may deem fit to ensure orderly and efficient implementation of the CSR projects or programs or activities in adherence to the CSR Policy and CSR Plan.
- 5.2.8 The CSR Committee shall meet once in a calendar month or at any time period as the CSR Committee may deem fit

6. Powers & Duties of the Board

- 6.1 Selection of CSR Projects recommended by CSR committee to be undertaken by TIPL under the Policy as per the company's philosophy and in alignment with Act and Rules framed thereunder as amended from time to time.
- 6.2 Placing the CSR Policy along with the CSR Projects to be undertaken on the Company's website.
- 6.3 To appoint a select set of personnel from relevant departments to oversee the implementation of CSR projects duly approved by the Board.
- 6.4 The Board may alter the annual action plan at any time during the Financial Year in accordance with the recommendations of its CSR Committee based on the reasonable justification.
- 6.5 Ensure Company's website is regularly updated with regard to the status of current CSR Projects of the Company.
- 6.6 The Board should disclose the reason(s) for not spending the amount (if applicable) in the Board Report of the Company.
- 6.7 To ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- 6.8 To get certification from the Chief Financial Officer or person responsible for financial management that the funds so disbursed have been utilized for the purposes and in the manner as approved.
- 6.9 Approve transfer of unspent CSR Amount in accordance with the law. The Finance Team shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

6.10 To identify and approve a CSR project as a multi-year/ongoing project and ensure its implementation as per approved timelines, year wise allocation and modify the same, as required.

7. Composition of CSR Management Committee

The CSR Management Committee will consist the following members:

S.No.	Name	Designation
1	Mr. Toshitaka Hagiwara	Assistant General Manager - Administration, Accounts & HR
2	Mr. Dharmendra Singh	Sr. General Manager - Accounts

The role / responsibilities of the CSR Management Committee include

1. Review the proposals for CSR projects/programs/activities received from various locations.
2. Submit the proposal to CSR Committee for Approval of proposals against approved allocated budget.
3. Periodically review the activities and monitor achievements, implementation against targets as per annual CSR Plan

8. CSR Implementation

8.1 Implementation/Execution Mechanism:

The CSR Projects will be executed by a dedicated project team under the guidance and support of the CSR Committee and the Board. The initiative undertaken may be communicated to employees and other partners through appropriate channel to enable maximum participation and support. The Company shall implement the identified CSR Projects by the following means:

- 8.1.1 The Company may itself implement the identified CSR Projects within the scope and ambit of the Central Areas as stated above and Schedule VII of the Act.
- 8.1.2 The Company may also implement the identified Projects through the registered Foundation or NGO as mentioned in CSR Rules (including amendments therein) which is involved in CSR activities, within the scope and ambit of Schedule VII of the Act.
- 8.1.3 The Company may join its hands with other organizations that are either carrying on the same CSR activity or organizations specially formed to take up such projects.
- 8.1.4 The Company, may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objectives provided that the CSR Committees of respective

companies are in a position to monitor and report separately such CSR Projects in accordance with these CSR rules.

- 8.1.5 The Company may spend its CSR amount for creation or acquisition of the capital asset subject to the fulfilment of conditions as specified under the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.
- 8.1.6 Any surplus generated from CSR projects shall not be added to the normal business profits of the Company and shall be treated as follows:
 - a) Ploughed back into the same project; or
 - b) Transferred to an 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 the prescribed timeline as specified in the CSR Rules.
- 8.1.7 The Company may spend up to 5 percent of its total CSR expenditure towards administrative overheads for the financial year for the purpose of CSR functions in the Company.
- 8.1.8 All reasonable efforts will be made to ensure that the CSR amount so disbursed is fully utilized in the respective year in the manner as approved by the Board. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reason for not spending the amount and such unspent amount shall be dealt with in accordance with the provisions of Section 135 (5) & (6) of the Act and Rule 10 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

8.2 CSR Budget Allocation

SMCC shall embark 2% of the average net profit earned during three immediately preceding financial years as CSR allocation for the year which will be in accordance with its CSR policy, applicable provisions of the Act and the Rules framed thereunder as amended from time to time

The CSR budget will be suggested by the Finance Team; reviewed and recommended by the CSR Committee to the Board and henceforth approved by the Board for further allocation/expenditure.

8.3 Monitoring & Review Mechanism

The CSR Committee together with the Board will be responsible to institute a well-defined monitoring and evaluation mechanism to ensure the approved CSR Projects are carried out effectively as per the requirements of Section 135 of the Act and Rules framed thereunder. The CSR Committee will put in place a transparent monitoring and reporting mechanism for ensuring effective implementation of the projects, programs and activities proposed to be undertaken by SMCC

8.4 Reporting Mechanism

CSR Committee will prepare annual CSR report as prescribed in the rules and submit it to the Board for annual disclosure of CSR report. CSR Policy and CSR Report would be displayed on SMCC website as per the format specified in Companies Act 2013.

AMENDMENTS TO THE POLICY

The Board of Directors, can amend this Policy, as and when required. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates/revision as required in accordance with the guidelines as may be issued by the Government, from time to time.