

SMCC Construction India Limited



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

Corporate Social Responsibility Policy

Registered & Corporate Office: 201, 2nd Floor, Plot No. D-1, Rasvilas, Saket District Centre, Saket, New Delhi - 110017, India, Tel : +91-11-41392800, Fax : +91-11-41652192 / 93, E-Mail: smci@smcon.co.in

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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 Clause135 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

SMCC's CSR Policy intends to

- To define the Guidelines and Mechanism to carry out CSR activities
- To list of CSR activities to be undertaken under CSR
- To guide for implementation of CSR and CSR reporting
- To specify the powers of CSR committee
- To specify the Geographic Location of CSR implementation

3. CSR Focus Areas

The key focus areas under CSR are in line with the company's business interest and as per the objectives and requirements of the Section 135 of companies act and rules notified there in. The key focus areas shall be identified by the need assessment and as approved by the CSR committee by time to time. The below mentioned programs can be liberally interpreted to take additional development programs.

SMCC would proactively consult Key stakeholders and implementing agency for undertaking CSR activities and design the future CSR programs and make necessary changes in the CSR policy.

Table 1: Schedule VII Linkage with Proposed Programs

S.No	Schedule VII Reference	Specific CSR Programs
1	(i) Eradicating Hunger, Poverty and Malnutrition, Promoting Health care and Preventive health care and Sanitation and making available of Safe Drinking water	<ul style="list-style-type: none">• Promoting Health Awareness among the Slum Population• Promoting Health Awareness among School Children

2	(ii) Promoting Education, Including Special education and Employment enhancing vocational skills especially among children, women, elderly and differently-abled and livelihood enhancement projects.	<ul style="list-style-type: none"> • Education promotion programs for poor School Children through direct payment of their school fees and other educational expenses. • Vocational Skill Training education Program for orphan children/Poor children/ street children. • Day care centers for poor/street children.
3	(iii) Promoting Gender Equality , Empowering Women, Setting up of Homes and Hostels for Women and Orphans; Setting up of old age homes, Day Care Centers and such facility of senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	<ul style="list-style-type: none"> • Shelter for Orphan Children • Education support for Orphan Children.
4.	(viii) 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 welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and	<ul style="list-style-type: none"> • Contribution to the Prime Minister's National Relief Fund
5.	(X) Rural Development Projects	<ul style="list-style-type: none"> • Assistance in development of neighbourhood villages

4. Constitution of CSR Committee

4.1. The CSR committee shall consist of the following Directors of the Company

Table 2: CSR Committee

S.No	Name of the Director	Designation	Role in CSR Committee
1	Shigeki Ikejiri	Managing Director	Chair Person
2	K V Ramesh	Whole Time Director	Member
3	G N Gupta	Independent Director	Member
4	Neoma Kapoor	Independent Director	Member

4.2. Responsibilities of Committee

- 4.2.1. Formulating and Approving CSR policy subject to necessary changes / modification as the board may deem fit.
- 4.2.2. Ensuring the activates listed in the CSR policy are undertaken
- 4.2.3. Formulating the CSR budget as specified in the Sec. 135 and the committee shall specify the reasons for any unspent CSR amount
- 4.2.4. Monitoring CSR activities by carrying out audits from time to time.

4.3. Composition of CSR Management Committee

The CSR Management Committee will consist the following members:

Chairman : Shinichi Ona, Sr. General Manager
Member : Dharmendra Singh, General Manager

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

5. CSR Implementation

5.1 Modalities of execution of Activities

Some or more of the above identified CSR activities will be implemented and executed by specified non profit agencies as evaluated and decided by CSR Management Committee. The group will decide by majority of amount to be spent on each such activity and also coordinate CSR work with other agencies such as:

- NGOs, Self Groups & Voluntary agencies
- Government bodies, Semi-Government or Autonomous Organisation
- Institute/Academic Organisation
- Individual Development Resource Persons
- Other Non-profit/charitable Organisation

5.2. Implementation Model:

CSR programs shall be executed through IFC recommended Hybrid Model such as adapting two or more implementation models such as In-House Implementation, through Company's Foundation, through Third Party Implementation and Multi Stakeholder Partnership. The Board may select the appropriate model for the specific projects by time to time.

5.3. CRITERIA FOR IDENTIFYING PROJECTS AND NGO'S

5.2.1 The Company attempts to identify the needs of communities, plan projects and facilitate their implementation to help in social economic development. Our activities are set with targets to promote the

principles of inclusive growth and equitable development through which the members of society can participate and benefit from the growth.

5.2.2 While identifying the projects all efforts will be made to the extent possible to define the Project objectives, Implementation schedules with impact on society, results and its usefulness.

5.2.3 While identifying Projects the Company shall also identify the external agency (NGO) who would execute the said Project. These NGOs / Agencies must have a permanent office in India and should be registered society under Societies' Registration Act / Public Trust Act/ not for profit Company under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956) with valid Income-tax Exemption Certificate. Wherever required these NGOs/Agencies must have registration under Foreign Contribution (Regulation) Act, 1976.

5.4. CSR Budget, Utilization and Surplus

SMCC shall embark 2% of the average net profit as mentioned in the Section 135 of the Act. The surplus arising out of the CSR projects shall not form of business profits. If the company fails to spend the budgeted amount during the year, the Committee shall specify the reasons for not spending the amount.

5.5. Monitoring & Reporting

The Company board has formed CSR Committee who will oversee the policy and prepare monitoring mechanism to ensure implementation of the projects, programmes and activities proposed to be undertaken by the Company as per the Policy. Project monitoring may include periodic field visits, comprehensive documentation and if required interaction with beneficiary communities.

Regular CSR progress report shall be submitted to CSR committee regarding the progress of the implementation programs as per the specified format.

- Achievement of targeted programs and reasons for deviation in targeted if any
- Suggesting changes in the CSR policy based on the CSR Audit reports
- Preparation of Annual reports on CSR Activities

The CSR Committee shall ensure that the surplus arising out of CSR activities shall not form part of the business profit of the Company.