

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PREAMBLE

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences.

CMM Infraprojects Limited has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities. Such that it positively affects the society socially, ethically and also environmentally. The Company endeavours to make CSR a key business process for sustainable development. Our Company is committed towards aligning with nature, and has adopted eco-friendly practices.

With the advent of the Companies Act, 2013, constitution of a Corporate Social Responsibility Committee of the Board and formulation of Corporate Social Responsibility Policy has become a mandatory requirement.

SCOPE

Schedule VII of the Companies Act, 2013, contains the activities which may be considered as eligible for CSR activities. CMM Infraprojects Limited may undertake one or more project/s under any or all of the following areas or such other area that may, under the law for the time being in force, be permissible:-

- i. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation 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 other 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- v. 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;
- 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 the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- x. Rural development projects.

LEGAL REQUIREMENT:

In terms of Section 135 and Schedule VII of the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014('the Rules'), every company falling in any of the following criteria is required to constitute Corporate Social Responsibility Committee:

- (i) Having net worth of Rs. 500 crores or more
- (ii) Having turnover of Rs. 1000 crores or more
- (iii) Having a Net profit of Rs. 5 crores or more.

Accordingly, the Board of Directors of the Company ('the Board') is required to constitute Corporate Social Responsibility Committee comprised of 3 or more directors out of which at least one director should be an Independent director.

IDENTIFICATION OF CSR PROJECTS

1. CSR Projects need to be identified and planned for approval of the CSR Committee, with estimated expenditure and phase wise implementation schedules.
2. The company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the company (including its units) operates. However, this shall not bar the company from pursuing its CSR objects in other areas.
3. The CSR officer may engage external professionals/ firms/ agencies if required for the purpose of identification of CSR projects.

IMPLEMENTATION OF CSR PROJECTS

The Company shall implement the identified CSR Projects by the following means:

1. The Company may itself implement the identified CSR projects presently within the scope and ambit of the Policy;

2. The company may also implement the identified projects presently through its Foundation or Trust, if any, which is involved in CSR activities, within the scope and ambit of the Policy.

3. The CSR Officer may engage external professionals/ firms/ agencies if required, for the purpose of implementation of its CSR Projects.

4. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:

- The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided.
- The agency has an established track record of at least three years in undertaking similar programs or projects.

5. The company may collaborate with other companies, including its subsidiary companies and group companies if required, for fulfilling its CSR objects through the indirect method provided that the CSR Committees of respective companies are in a position to monitor separately such projects.

MONITORING

Monitoring/ supervision of CSR projects will be done on regular basis. CSR Committee of Board of Directors shall review the progress of activities on quarterly basis. This committee will report to the board of the Directors.

FUND ALLOCATION

1. The Company in every Financial Year shall endeavour to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned CSR Expenditure in any Financial Year shall be at least 2% of Company's average Net Profits for the three immediately preceding Financial Years.

2. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.

3. In case the Company fails to spend the statutory minimum limit of 2% of company's average net profits of the immediately preceding three years, in any given financial year, the board shall specify the reasons for the same in its report and unspent/ unutilized CSR allocation of a particular year will be carried forward to the next year.

OTHERS

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the projects as per CSR objectives. However, there shall not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR projects on need basis.
2. The Managing Director of the company is authorized severally to decide on projects to be implemented within the allocation as per the Annual Plan.
3. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

DUTIES, RESPONSIBILITIES AND TERMS OF REFERENCE

A. Board of Directors

Composition of CSR Committee:

Kishan Mundra	: Managing Director - Chairman
Raj Kumar Sabu	: Independent Director-Member
Pranjal Dubey	: Independent Director-Member

B. CSR Committee

- I. The CSR Committee shall monitor the implementation of the CSR policy and CSR Plan.
- II. In discharge of CSR functions of the company, the CSR Committee shall be directly responsible to the board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- III. The CSR Committee shall place before the board the draft annual report as per the format in annexure to the rules in Board Meeting for Board review and finalization.
- IV. The CSR Committee shall place before the board every year a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company for inclusion in the Board's Report.
- V. The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan is displayed on the Company's website.

C. Terms of Reference

The terms of reference of the CSR Committee, shall be in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and rules framed there under which shall include:

- i. The Committee shall annually review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.
- ii. The Committee shall ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and shall monitor the CSR Policy from time to time.
- iii. The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
- iv. The Committee will coordinate with such other agency for implementing programs and executing initiatives as per CSR policy and shall review the performance of such other agency periodically.
- v. The Committee may form and delegate authority to sub committees when appropriate.
- vi. The Committee shall regularly report to the Board.
- vii. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Committee shall have access to any internal information necessary to fulfill its role. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

CONCLUSION

- I. Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Government, from time to time.
- II. CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.
