

TECNIMONT PRIVATE LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY

Version	Approved by	Approved on
2.0	Board of Directors	13.02.2018

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INFORMATION ABOUT THE COMPANY

BACKGROUND

Tecnimont ICB Private Limited is incorporated on 9th July 1958 as a limited liability company under the Companies Act, 1956 and is engaged in the business of Design, Engineering, Procurement, Project Management, Construction and Commissioning of an Industrial Plant.

The Registered Office of the Company is situated at Tecnimont ICB House, Chincholi Bunder, 504, Link Road, Malad (W), Mumbai – 400064, India.

Tecnimont ICB Private Limited, an integral part of the Maire Tecnimont Group, is a premier Engineering, Procurement and Construction (EPC) Company having varied capabilities and vast experience to execute large and complex projects worldwide on Lump-sum turnkey (LSTK) basis.

The Company caters to a wide spectrum of business sectors that mainly includes Oil & Gas, Petrochemicals and Fertilizers and competences in Power Generation and Infrastructure, from concept to commissioning with over 5 decades of experience in multi discipline engineering services.

SECTION 1

TECNIMONT CSR POLICY

Introduction

Corporate Social Responsibility (CSR) is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Company recognizes the greater role industry plays in the development of a country like India where large sections of society suffer from severe economic and social disadvantages.

By virtue of its nature of business, the Company operates at areas where the communities are disadvantaged and distinct from mainstream development process. These areas often stand out low on development indicators and lack basic infrastructure for essentials like healthcare, education or livelihood. The Company aims to contribute to the improvement of socio-economic development indicators in such areas with initiatives in health, education, livelihood and women empowerment. Moreover the policy here below defined will be in line with the Maire Tecnimont Group strategy on sustainability and CSR and it will be developed as an integral part of Corporate Sustainability approaches.

Aims and objectives

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and other rules, regulations, circulars, and notifications as may be applicable. It aims specifically at:

- Establishing a guideline for compliance with the provisions of the regulations to dedicate a percentage of Company's profits for CSR activities.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.

So that the object of this Policy is to lay down a comprehensive framework in which the Company proposes to carry out its CSR activities with an objective to achieve, consolidate and strengthen Good Corporate Governance including socially and environmentally responsible business practices that balance financial profit with social wellbeing.

This CSR Policy shall be operated and administered by the CSR Committee in line with the framework laid down by the Board of Directors and the applicable guidelines prescribed under the Act and the Rules.

The Board of Directors of the Company is authorized to interpret this Policy, to establish, amend and rescind any clauses relating to this Policy, and to make any other determinations that it deems necessary or desirable for the administration and implementation of this Policy. The Board of Directors may correct any defect, omission or reconcile any inconsistency in this Policy in the manner and to the extent it deems necessary or desirable. The decision of the Board of Directors in the interpretation and administration of this Policy, as described herein, shall be final and conclusive.

SECTION 2

DEFINITIONS & INTERPRETATION

Definition

Unless the context otherwise requires, the terms defined in this Policy, including their grammatical variations or cognate expressions shall have the meaning herein specified and the terms not defined in this Scheme shall have the respective meaning ascribed to such terms in the Companies Act, 2013 as amended from time to time and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, as the case may be:

1. **Act** means the Companies Act, 2013.
2. **Associate Company** in relation to the Company means a company in which the Company has a significant influence by virtue of control of at least 20 % of the total share capital or of a business decisions under an agreement, which is not a subsidiary company of the Company and includes a joint venture company.
3. **Board / Board of Directors** mean the Board of Directors of the Company for the time being and re-constituted and/or re-structured from time to time during the existence of this Policy.
4. **Company** means "***Tecnimont Private Limited***", incorporated in India under the provisions of the Companies Act, 1956 and having its registered office at Tecnimont House, Chincholi Bunder, 504, Link Road, Malad (West), Mumbai – 400 064, India
5. **Corporate Social Responsibility (CSR)** means and includes projects or programs relating to activities specified in **Annexure I** to this Policy which shall be undertaken by the Board of Directors of the Company in pursuance of the recommendation of the CSR Committee.

- 6. Corporate Social Responsibility (CSR) Committee** means the Corporate Social Responsibility Committee of the Board of Directors of the Company constituted in accordance with this Policy, which shall be responsible for operating and administering this Policy.
- 7. Director(s)** means a member of the Board of the Company.
- 8. Designated Director(s)** means the Chairman and Managing Director and the other Non-Whole Time Director of the Company.
- 9. Financial Year** in relation to the Company means the period ending on the 31st day of March every year.
- 10. Holding Company** means a holding company of the Company as defined under the Act.
- 11. Implementing Agency** means and includes a registered trust, society, company undertaking CSR Programs or Projects relating to activities specified in Annexure I to this Policy.
- 12. Net Profit** means the Net Profit of a Company as per its financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following namely;
- (i) Any profit arising from any overseas branch or branches of the Company
 - (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act
- 13. Program** refers to a sector or an issue that the Company proposes to address through its CSR projects and activities.
- 14. Project** refers to a set of interventions with a definite set of goals, beginning and end and a budget related to it. Each project will consist in a number of activities.
- 15. The Rules** means the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- 16. Subsidiary Company** means a subsidiary company of the Company as defined under the Act.

The definitions as given in this Section are for the purposes of interpretation of this Policy only and should not be used for any other purpose.

Interpretations

In this Policy, unless otherwise stated or a contrary intention appears:

- a) Words in the singular includes the plural and vice versa;
- b) Any word or expression importing a gender includes any other gender.

Section headings

The section headings are for the sake of convenience and information only, and shall not affect the construction of this document and shall not be interpreted to restrict or otherwise affect the meaning or import of the terms / clauses of this Policy, which shall be interpreted solely in light of the contents thereof.

References

- a) A reference to a clause or annexure, respectively, is a reference to a clause or annexure of this document. The annexures, if any, to this document shall for all purposes form part of this Policy;
- b) A reference to a clause number is a reference to its sub clauses; and
- c) Reference to any Act, Rules, Regulations, Statutes, Notifications, Circulars or Press Notes shall include any statutory modification, substitution or re-enactment thereof.

SECTION 3

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution and Composition

The Board of Directors of the Company constituted a “Corporate Social Responsibility Committee” consisting of three Directors out of which at least one Director shall be a Designated Director. The Designated Director who is a member of the CSR Committee shall be appointed as a Chairman of the CSR Committee.

The quorum required for the meeting of the CSR Committee shall be at least two Directors comprising of the Chairman and any other Member of the CSR Committee.

The Company Secretary of the Company shall act as a Secretary of the CSR Committee.

	Names	Chairperson/Member
1	Mr. Mario Ruzza	Chairman
2	Mr. Vishwas Desai	Member
3	Mr. P. S. P. Rao	Member

The TCMPL CSR Committee co-opted Mr. Carlo Nicolais as the Permanent Invitee.

Roles and responsibilities

The CSR Committee shall be responsible for overseeing the planning, coordination and implementation of CSR activities including compilation of information and disclosure requirements under the Act and rules made there under.

The roles and responsibilities of CSR Committee shall be;

- a) To 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 Annexure I to this Policy;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- d) To ensure that CSR Activities is being carried out giving preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities;
- e) To institute a transparent monitoring mechanism of the CSR Projects or Programs or activities proposed to be undertaken by the Company;
- f) To co-ordinate necessary audits and other compliances of all the CSR activities through the engagement of implementing agencies and/or experts so engaged;
- g) To perform such other roles, duties as may be assigned by the Board of Directors of the Company from time to time.

SECTION 4

BOARD OF DIRECTORS' RESPONSIBILITY

- a) Appoint the CSR Committee
- b) Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR Committee.
- c) Ensure the CSR spending every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the Policy.
- d) Ensure that CSR activities included in the CSR Policy are undertaken and that such activities are related to the activities specified in Schedule VII of the Companies Act.
- e) Disclose:
 - a. Contents of the CSR Policy and Composition of the CSR Committee;
 - b. An annual report on the CSR in the prescribed format as per Annexure II;
 - c. Disclose reasons for failure (if any) to spend required amount on CSR activities.
- f) Ensure disclosure of the contents of the CSR Policy and the CSR Report on the Company website.

SECTION 5

CSR EXPENDITURE

- i. The Board of Directors of the Company shall approve the CSR Budget which shall be at least 2% of the average Net Profits of the Company made during the three immediately preceding financial years. In case of Net Profit calculated in accordance with sub-clause 1 is negative, the Board of Directors of the Company has the liberty to decide not to spend on CSR activities for the concerned Financial Year.
- ii. CSR Expenditure shall include all the expenditure including contribution to corpus for projects relating to CSR Activities approved by the Board on the recommendation of CSR Committee but does not include any expenditure on item not in conformity or not in line with the list of CSR Activities mentioned in an Annexure I to this Policy.
- iii. CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- iv. Contribution of any amount directly or indirectly to any Political Party shall not be considered as a CSR Activity.
- v. Any surplus arising out of the CSR programs or project activities shall not form part of the business profit of the Company.
- vi. Annexure II contains the details of the proposed expenditure for respective Financial Year, towards CSR activities. The same shall be amended annually according to the Financial Year after the review by the Committee.

SECTION 6

CSR PROJECTS AND ACTIVITIES

6.1 SCOPE

The Company shall be undertaking projects as mentioned in an Annexure I to this Policy as identified and recommended by CSR Committee to the Board for each Financial Year and accordingly to the CSR guidelines defined at Corporate level (Maire Tecnimont Group) which will be focused on promoting education including special education and employment enhancing vocation skills and supporting the entrepreneurship in the most disadvantaged social groups based on gender and location.

The CSR programs, projects or activities that benefit only the Employees of the Company and their families shall not be considered as CSR Activities.

All the activities foreseen in a CSR project will be undertaken in India with specific preference to the immediate surroundings of the area in which the Company operates its business or in the district, town or city as a whole where the Company carries on its business operations.

In the implementation of CSR activities the Company promotes the active participation of its employees on a voluntary basis depending on logistic and organizational features and conditions of the projects.

6.2 PLANNING

A list of CSR projects which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same as well as the reference to the geographic reach.

6.3 IMPLEMENTATION

On approval of allocation of CSR Budget by the Board, the CSR Committee may consider undertaking CSR activities through a registered Trust or a registered Society or the company established by the Company or its Holding or Subsidiary or Associate Company which has in its object the promotion of commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment and further intends to apply its profits, if any or other income in promoting these objects.

CSR Committee will identify suitable projects for implementation, in line with the objectives of the Company and requirements lay down under the Regulations and accordingly to the guidelines defined at Corporate level (Maire Tecnimont Group).

For undertaking CSR Activities through trust, society or company not established by the Company or its Holding Company or Subsidiary or Associate Company, the CSR Committee shall ensure that the concerned trust, society or company shall have an established track record of three (3) years in undertaking similar CSR Programs or Projects.

CSR Committee may also consider collaborating with other companies for undertaking projects or programs or CSR Activities subject in such a manner that the CSR Committee is in a position to report separately on such projects or programs to the Board and in the Annual Report on CSR Activities.

CSR Committee is also authorised to hire an External Consultants for technical oversight, supervision and quality assurance, as well as for specific tasks such as documentation, training etc. to implement the CSR Projects or Program for and on behalf of the Company.

The implementing partner chosen by the Committee for the financial year 2014-2015 is Community Outreach Programme (CORP) & Meljol.

SECTION 7

CSR PROJECTS REVIEW

7.1 MONITORING

CSR Committee shall meet once in every quarter to review the progress of CSR Projects/ Activities as *per* agreed targets and timelines.

The implementing agencies engaged for undertaking CSR activities or projects shall submit reports to CSR Committee during their engagement contract. At the end of the contract period, each implementing agencies would be required to submit a full project report along with statement of accounts and utilization certificate within 30 days from the date of completion of the project.

The Reports on activities/projects identified/implemented shall be submitted to the Board by CSR Committee. This progress report will be prepared with inputs from implementing agencies, External Consultants, if any.

7.2 REPORTING

At the end of each Financial Year, it shall be the responsibility of the CSR Committee to furnish the details of the CSR Projects / Activities undertaken on behalf of the Company to the Board of Directors of the Company in the form and contents as per Annexure II to this Policy which shall be signed by the Chairman of CSR Committee and CEO/Managing Director of the Company and shall further be suitably integrated into the Annual Report of the Company and also displayed on the Company website.

SECTION 8**EFFECTIVE DATE**

This Policy shall be deemed to have come into force with effect from 1st April 2014

Annexure – I

List of CSR Activities and Programs which can be undertaken by the Company

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to Swachh 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 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;
7. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
8. 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;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects.
11. Slum area development. (**Explanation:** For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.)

Annexure – II

Format for the Annual Report on CSR initiatives to be included in the Board of Directors Report on CSR to form part of the Annual Report

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average Net Profit of the Company for last three Financial Years
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Projects or Activity identified	Sector in which the Project is covered.	Projects or Programs (a) Local Area or other (b) Specify the State and district where projects or program were undertaken	Amount Outlay (Budget) Project or Program Wise	Amount spent on the Project or Programs Sub-heads: (a) Direct Expenditure on Projects or Programs (b) Overheads	Cumulative Expenditure up to the reporting period	Amount Spend : Direct or through Implementing Agency
1							
2							
3							
4							
5							
6							

* Give details of implementation agency

6. In case the Company fails to spend the 2% of the Average Net Profit (INR) of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board Report.
7. 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 duly signed by Director and Chairperson of the CSR Committee.

Signature : -	Signature : -
Name: -	Name : -
Designation : - CEO / Managing Director	Designation : - Chairman of CSR Committee