

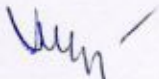
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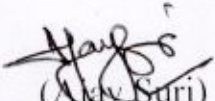
24 June 2022


**Sub: HSCC Corporate Social Responsibility & Sustainability Development Policy 2022 –reg**


An e-mail communication dated 22.06.2022 has been received from the Compliance Officer, HSCC enclosing therewith the amended/modified CSR & SD Policy of HSCC, 2022 for consideration to be placed before the CSR Committee meeting of HSCC.

Accordingly, a draft proposed HSCC Corporate Social Responsibility & Sustainability Development Policy 2022 is enclosed for consideration and approval please.

  
(Narender Kumar)  
GM (BD & ST)

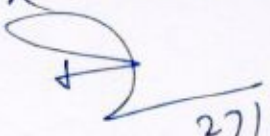
  
(Anshu Suri)  
DGM (F&A)

  
(B.K. Menon)  
DGM (HRM)

~~CGM (F&A)~~   
24-6-2022

~~MD (I/c)~~

May be put up to CSR committee

  
27/6/22

Cem (F&A)

CSR Committee/

**HSCC  
CORPORATE  
SOCIAL  
RESPONSIBILITY  
& SUSTAINABILITY  
DEVELOPMENT  
POLICY  
2022**

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## HSCC CSR And Sustainability Development Policy

### **A. About HSCC (India) Limited**

(i) HSCC (India) Limited, a subsidiary of NBCC (India) Limited, was incorporated under the Companies Act, 1956 on 30<sup>th</sup> March, 1983 originally under the name Hospital Services Consultancy Corporation (India) Limited.

HSCC is one of the few organizations in South East Asia rendering comprehensive range of professional consultancy services in health care and other social sectors, in India and abroad.

### **B. History**

In the year 2010, DPE issued guidelines on implementation of Corporate Social Responsibility making the CPSEs responsible with respect to corporate performance measured in terms of economic impact, social impact and environmental impact. These guidelines were subsequently modified in December 2012 by DPE and made applicable w.e.f.01.04.2013.

These guidelines were again modified in the Companies Act in line with the applicable provisions of CSR Rules issued by the Ministry of Corporate Affairs and Schedule VII of the Companies Act 2013. The modified guidelines were issued on 21<sup>st</sup> October 2014 to be effective from 01.04.2014.

Guidelines on Corporate Social Responsibility and Sustainability for CPSE's issued by DPE which are effective from 1/4/2014 are intended to reinforce the complimentary of CSR & sustainability and to advise the CPSEs not to overlook the larger objective of sustainable development in the conduct of business and in pursuit of CSR agenda.

## **1. SHORT TITLE AND DEFINITIONS**

1.1 The "Act" Means the Companies Act, 2013.

1.2 "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:

- i. **Activities undertaken in pursuance of normal course of business of the company:**

**Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2022-23 subject to the conditions that-**

- (a) **Such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act.**
- (b) **Details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report.**
- (ii) **Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.**
- (iii) **Contribution of any amount directly or indirectly to any political party under section 182 of the Act.**

- (iv) **Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).**
- (v) **Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.**
- (vi) **Activities carried out for fulfilment of any other statutory obligations under any law in force in India.**

1.3 The "Board Level CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

1.4 "CSR & SD Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

1.5 "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.

1.6 "International Organization" means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and

**Immunities) Act, 1947(46 of1947), to which the provisions of the Schedule to the said Act apply.**

1.7 "Net Profit" means the net profit of a company as per its financial statement 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, whether operated as a separate company or otherwise; and
- ii. Any dividend received from other companies in India, which are covered under and complying with the Provisions of Section 135 of the Act :-

**Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section198 of the Act.**

**1.8 "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.**

**1.9 "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005).**

1.10 This policy, which encompasses the company's philosophy for delineating its responsibility as a *corporate citizen* and lays down the guidelines and mechanism for undertaking projects and programmes for socio-economic development and empowerment and sustainable development of the community at large, is titled as the '*HSCC CSR & SD Policy*'.

1.11 This policy shall apply to all CSR initiatives and projects taken up at various sites and locations of HSCC, for the development and empowerment of deprived and underprivileged sections of the society.

1.12 CSR is the process by which an Organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrate its commitment in this regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations.<sup>1</sup>

1.13 CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth.<sup>2</sup>

1.14 Sustainable development is development that meets the needs of the present without compromising the ability of the future generations to meet their own needs. Sustainable Development involves an enduring and balanced approach to economic activity, social progress and environmental responsibility.<sup>3</sup>

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<sup>1</sup>Guidelines on Corporate Social Responsibility and Sustainability for CPSEs by DPE

<sup>2</sup>Corporate Social Responsibility Rules under Section 135 of the Companies Act, 2013

<sup>3</sup>Guidelines on Sustainable Development for the year 2012-13



## **CSR VISION**

"To establish itself and fulfil its role as a socially responsible corporate entity. To act in a socially responsible manner to contribute to the socio-economic development of the communities we operate in, by building stronger, developed, sustainable communities and raise the quality of life of the people of the country."

## **CSR MISSION**

1. To undertake holistic development initiatives/projects in the community at large
2. To take up CSR projects in the area of quality education, skill development and livelihoods, healthcare, infrastructural development in rural areas, training and awareness, employee sensitization towards CSR, etc. to improve the quality of life and standard of living of the rural populace as first priority.
3. HSCC will act as a good Corporate Citizen, subscribing to the ten principles of United Nations Global Compact for implementation.

## **CSR OBJECTIVES**

- To aim to provide quality education through scholarships, material support, academic support, infrastructural support, teaching aids, etc. majorly focusing on girl child, Scheduled Castes & Tribes and other backward communities
- To aim to provide healthcare services with focus on issues of health, hygiene and sanitation in remote and inaccessible rural as well as urban areas by devising focused strategies as per the needs of different areas
- To provide vocational/skill based trainings to underprivileged youth as per the local market employability / Entrepreneurship with job placements to ensure economic as well as social sustainability of the youth population and their families

- To develop necessary infrastructure in rural areas based on requirement supported with data and documentary evidence to enhance the quality of living
- To sensitize the company officials towards the CSR to imbibe socially responsible values in the DNA of the company through trainings, workshops, seminars, etc.
- To undertake CSR projects largely in and around HSCC project sites and offices (any other needy area or backward district can be taken up irrespective of operations of the company)
- To generate, through its CSR initiatives, a community goodwill for HSCC and help reinforce a positive and socially responsible image of HSCC as a corporate entity
- To ensure environmental sustainability.

## **2. FUNCTIONING OF HSCC'S CSR**

- 2.1. HSCC will function on the principles of its CSR values (vision, mission and objectives) as laid out in Para 1.
- 2.2. HSCC will abide by Section 135 of Companies Act, 2013 in principle for its CSR functioning read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time.
- 2.3. HSCC shall spend 2% of the average Net Profit in immediately preceding three FYs on CSR Activities / Projects.
- 2.4. The surplus arising out of the CSR Projects / programs / activities shall not form part of the Business profit.
- 2.5. Surplus arising out should immediately be recognised as liability for CSR expenditure
- 2.6. HSCC has Board Level CSR Committee consisting of three Directors.
- 2.7. The Board Level CSR Committee should formulate and recommend HSCC CSR & SD Policy to the Board and review it periodically. The committee also recommend / approve the CSR Activity and the expenditure to be incurred on the CSR activities.

- 2.8. Based on recommendations of the Board Level CSR Committee, the Board approves HSCC CSR & SD Policy, disclose composition of Board Level CSR Committee and contents of CSR & SD Policy in its report and publish it on HSCC's website.
- 2.9. The Board shall also ensure that the activities are undertaken as per CSR& SD Policy.
- 2.10. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-**
- i. The list of CSR projects or programmes that are approved 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 utilization of funds and implementation schedules for the projects or programmes;**
  - iv. Monitoring and reporting mechanism for the projects or programmes; and**
  - 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 CSR Committee, based on the reasonable justification to that effect.**
- 2.12 The Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Internal CSR committee and Chief Financial Officer or the person responsible for financial management shall certify to the effect.**

**2.13 In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.**

2.14. The company shall give preference to local areas and areas around where it operates for spending the amount earmarked for Corporate Social Responsibility activities. After giving due preference to the Local Area, HSCC may also undertake CSR activities anywhere in the country.

2.15. If the company fails to spend earmarked amount for CSR, the Board shall, in its Annual Report, specify the reasons for the same.

**2.16. Until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.”.**

### **3.0 FUNDING AND RESOURCE ALLOCATION**

3.1 HSCC will spend 2% of the average of last three year's Net Profit for CSR Projects / Activities.

3.2 The expenditure towards Proposal Evaluation / Need Assessment / Baseline Survey, Mid-term Assessment, Impact Assessment, Documentation & Dissemination, Trainings for employees' sensitization towards CSR, Identification of CSR Activities / Projects Monitoring / Coordination Activities, Fee of experts such as Consultants / designers etc. shall form part of CSR expenditure and would be covered under CSR Head.

- 3.3 On the basis of identified CSR Activities / Projects, the CSR Annual Plan will be prepared by the CSR team.

#### **4.0 PLANNING AND IMPLEMENTATION OF THE COMPANIES ACT, 2013 ON PAN INDIA BASIS**

##### **4.1 THRUST AREAS**

In order to channelize CSR resources in a focused and meaningful manner, following thrust areas in accordance to Schedule – VII of the Companies Act, 2013 have been identified by HSCC;

- I. Eradicating hunger, poverty and malnutrition; promoting health care including preventive health care and sanitation including contribution to the 'Swachh Bharat Kosh' set-up by the Central Government for the promotion of 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 centers 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 including contribution to the 'Clean Ganga Fund' set-up by the Central Government for rejuvenation of river Ganga;
- 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 and handicrafts;

- VI. 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;**
- 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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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 to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organization (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- X. Rural development projects;
- XI. Slum Development - any area decided as such by the Central Government or any State Government or any other Competent Authority under any law for the time being in force;
- XII. Disaster management, including relief, rehabilitation and reconstruction activities;

In line with the Ministry of Corporate Affairs (MCA) Circular No. 21/2014 dated 18.6.2014, one-off events such as marathons / awards / charitable contributions / advertisements / sponsorship of TV programs / events involving celebrities, specifically for entertainment purposes, etc. would not qualify as CSR Activities; In selection of activities, the focus should be on the social,

economic and environment impact thereof, rather than mere output or outcomes. As mentioned in the Act, HSCC will give preference to the "Local Area" in selecting the location of CSR activities.

Keeping in mind the need of planned CSR projects, following are key steps to be taken by HSCC CSR team:

- 4.2 Baseline Survey:** As a first step, to assess the impact of any project/programme/activity, there is a need to establish the base. This base establishment will help the company to see the changes after intervening in a specific area. Baseline Survey can be undertaken by an expert agency or by Company itself to assess the needs as well as establish the baseline information and statistics so as to allow a comparison of the 'then' and 'now' situation in the future. This will clearly show the 'impact' the project has created.
- 4.3 Needs Assessment:** It is also important to conduct an unbiased needs assessment in the area prior to undertaking a CSR project in order to ascertain the specific needs, problems and relevant solutions from the community perspective, as also gain an understanding from the perspectives of the village / Distt. / State authorities.
- 4.4 Proposal Evaluation:** A thorough evaluation of proposals should be conducted based on needs. For this purpose, only those proposals that are supported by data, documentary evidence, clearly indicating the need, preferably in thrust areas of the company or as decided by the Competent Authority / Board Level CSR Committee, shall be taken up. Also, there needs to be clear criterion to evaluate the reliability of the proposal as also adherence to the Companies Act, 2013 and adherence to HSCC CSR & SD Policy.
- 4.5** All the interventions made by company should be implemented in a project mode with clear objectives and goals mentioned. The goals should be laid on SMART principle which is:

S = SPECIFIC

M = MEASURABLE

A = ATTAINABLE

R = RELEVANT

T = TIME BOUND

- 4.6** In exceptional cases where the interventions made by the company under CSR are not in project mode, and are one-time activities, the reason for doing so should be recorded in writing. As the projects are related to socio-economic development and environmental protection, specialized agencies should be involved in designing and implementation of the same. In the absence of in-house expertise in social, economic and environmental areas, partnering with experts in the field is crucial to achieve HSCC's CSR vision, mission and objectives.
- 4.7** However, if there are projects related to company's core competency then company should use in-house expertise in implementing the same.
- 4.8** HSCC may support Central/State Government and district administration in order to dovetail and synergise with their programmes/projects by its initiatives in last mile approach.
- 4.9** Identification of CSR Projects / will be done by Head Office's Internal CSR Committee any one of or combination of the following: -
- i. In-house planned projects - for selection of location preferably in local areas by respective HODs.
  - ii. Proposals from District Administration / Govt. Body / any other govt. agency

During identification / selection of the CSR Activity, an undertaking from District Administration / Govt. Body / any other govt. agency shall be obtained in prescribed format, placed at Annexure - A, that



for the particular project / activity funding from some other agency has not been taken.

## **5.0 SELECTION CRITERION FOR SPECIALISED AGENCY**

- 5.1** To identify the CSR Activities, Internal CSR Committee, should forward a formal proposal with complete detail like name of work, availability of land, formal NOC letter from concerned department etc., approximate cost of Project along with line diagram plan, non-availability of fund in concerned department and recommendations of any other Govt. agencies etc. to Board Level CSR Committee for their comments and approval.
- 5.2** The Baseline / Need Assessment, proposal Evaluation, Mid-term Assessment & Impact Assessment for all the approved CSR Activities shall be carried out by Tata Institute of Social Sciences (TISS) NCSR Hub / any other Educational Institution/ by Company itself or otherwise as per requirement and as approved by the Board Level CSR Committee.
- 5.3**
- i. Care should be exercised in selecting specialized agencies which have the necessary competencies, expertise and capabilities to implement the projects. Duly empanelled list of Organizations available with National CSR Hub, TISS / any other Educational Institution can be availed to identify the credible partners for the implementation of HSCC's projects for conducting Baseline Survey and Implementation of Skill & Entrepreneurship Development Programs through NSDC Partners.
  - ii. The Board of the Company may decide to undertake its CSR Activities approved by the Board Level CSR Committee through a Registered Trust or a Registered Society or a Company established by the Company or its holding or subsidiary or associate company

under Section 8 of the Act. Specialized agencies may include Government department, semi-government, autonomous Organizations, professional consultancy Organizations, registered Trusts / Missions, community-based Organizations, self-help groups, not-for-profit Organizations, local bodies such as Panchayati Raj Institutions, Academic Institutions, recognized Body / Agency by the Government (Central / State) etc.

**iii The Board shall ensure that the CSR activities are undertaken by the company itself or through -**

**(a) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or**

**(b) A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or**

**(c) Any entity established under an Act of Parliament or a State legislature; or**

**(d) A company established under section 8 of the Act, or a registered public trust or a registered society, 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 The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.**

**v Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.**

**vi Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –**

**(a) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.**

**(b) The Board of the company shall pass a resolution to that effect.**

**vii In any other way in accordance with the Companies (Corporate Social Responsibility Policy) Rules 2014, e.g., on its own.**

**5.4 i.** The Implementation Agency can be finalized through normal tender procedure of HSCC by adopting NIT, GCC, Price Bid and other requirements after NIT approved from TSC members.

**ii** The Baseline Survey / Need Assessment / Proposal Evaluation, Mid – term Assessment & Impact Assessment Agency can be finalized, through normal procedure of HSCC by calling sealed quotation or agency finalized by the Board Level CSR Committee.

**5.5 i.** Once the projects/programmes/activities are approved and communicated to the approved agency, they will be required to enter into an agreement with each of the executing/implementing agency as per the NIT and Voluntary Organizations approved by Board Level CSR Committee.

- ii. After approval from Board Level CSR Committee /Board of Directors, the concerned Project In charge should be fully responsible for timely completion, Quality of work, timely handing over and other legalities as per N.I.T. / MOU.

5.6 In case of project/programme execution by Voluntary Organizations, the following minimum criterion needs to be ensured:

- a. The Organization has a permanent office/address in India.
- b. The Organization is a registered society under Societies' Registration Act
- c. The Organization should have an established track record of at least three years in carrying out activities in related areas.
- d. The Organization should possess a valid income-tax exemption certificate.
- e. The antecedents of the Organization are verifiable / subject to confirmation.
- f. Formal MOU / Agreement

All activities should represent the plaque of HSCC, engraved / written with paint "A CSR Initiative of HSCC" in bold letters clearly visible from all-around.

## **6 MONITORING, EVALUATION AND IMPACT ASSESSMENT**

- 6.1 **Monitoring** and Evaluation go hand in hand with the implementation of the project/activity. Timelines, budgetary expenditures and achievement of milestones can only be assessed by monitoring the project.
- 6.2 Monitoring should be periodic with a checklist of key indicators related to the project which is helpful in understanding the present picture. Monitoring also creates possibilities of mid-term course corrections in the project.

- 6.3 Monitoring should be taken care by HSCC CSR team or by any agency appointed for the purpose by the Board for its CSR projects. This ensures the involvement and ownership of CSR projects by the company.
- 6.4 The reporting format by which the implementing Organization submits its weekly/monthly/quarterly/yearly reports should be collaboratively designed by the company and the implementing Organization by keeping all the indicators of the projects in focus. The reporting format should also have a qualitative data section apart from quantitative data section.
- 6.5 In the case of one-time activity, monitoring should take place after handing over the services to Panchayat / State Government/Central Government etc. as this helps the company in understanding the functioning of the services provided. This also helps in taking mid-term course corrections if the services provided are not functional.
- 6.6 For long term sustainability of CSR Activities half yearly visit by the CSR Monitoring Team for a period of 5 years may be undertaken, to ascertain status / progress of the Activity.
- 6.7 **Evaluation** should be conducted by a third party that is not involved in implementation of the project at all. If required, it is advisable to appoint the agency engaged in baseline survey/need assessment for evaluation as the agency can clearly observe and assess whether the implementation is going in right direction as designed. Any new agency can also be recruited for the same.
- 6.8 After completion of the project/programmes/activities, HSCC should partner with a third party to conduct **Impact Assessment** study. Impact Assessment study drives to a conclusion whether the objectives of the project have been achieved or not. It also documents the socio-economic improvement and changes in quality of life of the beneficiaries. It also assesses the process of

documentation, reporting, implementation, monitoring, beneficiaries' selection in line with the proposal/ needs assessment made beforehand, and all other aspects of the projects and gives a holistic view. It also documents what can be done to replicate the same programme with better results by the company.

## **7 UPKEEP AND MAINTENANCE OF ASSETS CREATED**

Maintenance of Assets created under CSR would be the responsibility of the concerned State Governments and local institutions like Gram Panchayats and Govt. Bodies. Before any capital investment is made, an undertaking would be taken from the representatives of local community that they would be responsible for regular maintenance of the assets created by HSCC. This should be complimented by continuous monitoring & evaluation by HSCC of all the assets created.

**The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –**

- (a) A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or**
- (b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or**
- (c) A public authority:**

**Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.**

## 8 POWERS OF APPROVAL

The Board of Directors on the recommendations of Board Level CSR Committee will approve the CSR & SD Policy for the Company and the same will be displayed on the Company's web-site. Board of Directors shall also ensure that the activities included in the CSR & SD Policy of the Company are duly undertaken by the Company.

## 9 Reporting

- 9.1 **The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.**
- 9.2 **In case of a foreign company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.**
- 9.3 (a) **Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.**
- (b) **The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.**

**(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less. "**

**9.4 The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.**

9.5 The Board's report will include the following :

- i. A brief outline of the CSR & SD Policy, including overview of projects proposed to be undertaken and a reference to the web link to the CSR & SD Policy and projects.
- ii. Composition of the Board Level CSR Committee
- iii. Average net profit for last three FYs
- iv. Prescribed CSR Expenditure
- v. Details of CSR Spent during the financial year in the prescribed format.
- vi. In case the company fails to spend the 2% of average net profit of the last three FYs or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
- vii. A responsibility statement of the Board Level CSR Committee that the implementation and monitoring of CSR & SD Policy, is in compliance with CSR objectives and Policy of the company.
- viii. The report would be signed by :
  - Chief Executive Officer or Managing Director or Director or; Chairman of the Board Level CSR Committee



## 10 Miscellaneous

- 10.1 The Company reserves the right to modify, cancel, add or amend any of the provisions of this policy in accordance to the prevailing statute.
- 10.2 Notwithstanding any clause in the Policy, no action pertaining to CSR Activities shall be taken in contravention of the provision of the section 135 of the Companies Act, 2013 and of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

### SUSTAINABILITY DEVELOPMENT

Sustainable Development is the need of the hour in today's fragile and natural resource constrained world, the guiding principle of which is balancing of the Environmental, Social and Economic concerns. At HSCC, India's largest construction PSU it is our commitment to PROMOTE the nation and our constant endeavour to operate in an environmentally conscious and responsible manner, while catering to the nation's ever increasing demand for infrastructure.

- Support global clean energy economy that is already underway. For the purpose, eliminate air and water pollution, promote technology innovation, energy efficiency and a diversity of renewable resources such as solar, wind, hydro, sustainable biomass and geothermal.
- Affirm its commitment to contributing towards a clean and sustainable environment and continuously enhancing its environment related performance as an integral part of its business philosophy and values.
- Adopt an approach that integrates quality, affordability, and sustainability. Every method / product / design should be safe, effective, good-looking and reasonably priced.
- Inspire Cradle to Cradle approach. C2C calls for waste-free design, raw materials are as natural and as possible it can be reused continuously.

C2C stands in direct contrast to the traditional "lab -to-landfill" (L2L) approach.

- The future lies in the energy efficiency, green and renewable energy sector. Bold measures in off-grid to harness wind, solar and hydro power so as to bring about a change / improvement in quality of life of the people. Use, smart windows to control heat & light.
- Smart city initiative – Information, communication and technology – enabled governance. Efficient Utilities – energy, water, solid waste, effluents. Meaningful PPPs. Safety and security. Financial sustainability. Citizen – participative local government. Sufficient social capital. Transit oriented habitats. Green features and minimum population criteria.

**Letter of Undertaking from District Administration / Authority  
(on Letter Head)**

Date:

HoD (CSR)  
HSCC (India) Limited

Sir,

The District Administration / Authority recommend the Project/Activity to be undertaken with HSCC CSR Initiative detailed in requisition performa:

1. Sufficient Land is available for construction, at free of cost, without any hindrances and the said land shall be made available for execution of Activities.
2. Availability / providing of water, electricity, sewerage disposal / sanitation for up keeping of the Project is the responsibility of the concerned authorities.
3. We do not have funds to carry out the Activity detailed in requisition performa.
4. The concerned authority, after completion of Activity will take over and make available the required funds for its upkeep and maintenance.
5. The Project / Activity executed by HSCC, under its CSR Initiative shall not be demolished.
6. We also declare that no other Central / State PSU / any other Company / Corporation has earmarked / committed funds for the activities approved / to be executed by HSCC under its CSR Initiative.
7. HSCC has the right to promote its Brand image on the Activity and further undertake Proposal Evaluation, Monitoring, Implementation, Mid-Term Assessment and Impact Assessment, etc. for the Project / Activity.

(Signature and Seal of  
District Administration / Authority)

Phone –  
e- mail –

Encl.: Duly signed details of Projects / Activity Recommended by District Administration / Authority.

