

NIPPON KOEI INDIA PVT. LTD

CSR POLICY



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Corporate Social Responsibility

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1 INTRODUCTION

1.1 CSR in India:

CSR in India has generally been seen as a charitable activity. While the corporate houses have been usually engaged in doing CSR activities voluntarily, the new CSR provisions under the Companies Act 2013 put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The Companies Act, 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR to the forefront and through its "Comply-or-Explain" mandate to companies having any of the following conditions for any financial year:

- Net worth of at least Rs. 500 Crore;
- Turnover of at least Rs. 1,000 Crore;
- Net profits (before tax) of at least Rs. 5 Crore

Any company meeting any of the above said condition is required to constitute a Corporate Social Responsibility Committee to effectively monitor CSR activities of a Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lay down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Companies Act, 2013.

1.2 NIPPON KOEI INDIA PRIVATE LIMITED and CSR:

Nippon Koei India Private Limited was incorporated in the year 2008 by Nippon Koei Co. Ltd. Tokyo, Japan, the Parent Company with the objective of expanding business in India. But apart from the motive of profit earning, Nippon Koei India Private Limited also aims to enrich society by helping poor and needy sections of people/society. Being a good corporate citizen it is important for Nippon Koei India Private Limited to improve the way poor and needy people live and work.



2. OBJECTIVE AND SCOPE

The main objective of this CSR Policy is to lay down guidelines for Nippon Koei India Private Limited to make CSR as one of the focus areas to adhere to Indian Law on CSR and focus on making a positive contribution to society through suitable means.

This Policy covers current as well as proposed CSR activities to be undertaken by Nippon Koei India Private Limited and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

Nippon Koei India Private Limited proposes to implement its CSR activities in following sectors:

2.1 Targeted Sectors:

1. Healthcare
2. Education
3. Moral, Spiritual and Social Measures Environment Protection
4. Promotion and Development of Rural Sports and National Games
5. Rural Development Projects
6. Any other area as may be prescribed by Schedule VII amended from time to time

Nippon Koei India Private Limited will review the sectors from time to time and make additions/deletions/clarifications to the above sectors.



3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

3.1 Constitution:

Pursuant to the provisions of Section 135 of the Act, the Nippon Koei India Private Limited is required to form a Corporate Social Responsibility (CSR) Committee of the Board consisting of two or more Directors.

The Board by a resolution passed in its Board Meeting held on February 26, 2015 has constituted CSR Committee consisting of following members:

1. Dr. Sanjay Arora
2. Mr. Satoshi Nishizawa
3. Dr. Sampath Kumar

Any changes in the composition of the CSR Committee will be approved by the Board in its meeting.

3.2 Powers of the Committee:

The Powers of the CSR Committee are as follows:

1. Formulate CSR Policy and get it approved in forthcoming Board Meeting.
2. Recommend CSR activities as stated under Schedule VII of the Act.
3. Approve to undertake CSR activities in collaboration with the Non-Profit Making Companies/Trusts/NGOs etc. and to separately report the same in accordance with the CSR Rules.
4. Recommend the CSR Budget.
5. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of Nippon Koei India Private Limited in accordance with the Act and the CSR Rules.
6. Create transparent monitoring mechanism for implementation of CSR initiatives.
7. Submit the Reports to the Board in respect of the CSR activities undertaken by Nippon Koei India Private Limited.
8. Monitor CSR Policy from time to time.



3.3 Frequency of the Meetings of the CSR Committee:

The CSR Committee shall meet at least once in a quarter. Members of the CSR Committee can agree upon mutually regarding time and venue for the said meetings. Quorum for the meeting should be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made there under from time to time. Minutes of the CSR Committee shall be placed before the Board for noting.

4. CSR BUDGET/CSR SPEND

The Act mandates every company meeting the qualification criteria to allocate certain portion of its Average Net Profit during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Companies Act, 2013.

4.1 CSR Expenditure:

Net profit has been fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Companies Act, 2013.

In case of applicability of Section 135 of the Companies Act, 2013, the CSR expenditure shall be at least 2% (Two percent) of the average net profits of Nippon Koei India Private Limited made during the three immediately preceding financial years, in pursuance of its CSR Policy.

4.2 Failure to spend the CSR Budget:

In case Nippon Koei India Private Limited fails to spend the above targeted amount in any particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors to Shareholders in their Directors' Report for that particular Financial Year.



5. CSR INITIATIVES

In line with Schedule VII of the Act and the CSR Rules, Nippon Koei India Private Limited shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

5.1 Annual CSR Plan:

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of Nippon Koei India Private Limited based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of Nippon Koei India Private Limited:

1. CSR projects depending upon the amount to be spent each year
2. Partnering agencies/companies/firms
3. Targeted Beneficiaries & their key needs
4. Compliance with Schedule VII of the Companies Act 2013
5. Activities and Timelines including expected closure dates
6. CSR Budget with projections
7. Monitoring Mechanism
8. Progress reporting and frequency of reports
9. Any other information as may be required by the CSR Committee

5.2 Disqualifying Activities for CSR:

The CSR Rules prohibit the CSR projects and programs that are implemented by a Company for the benefit of employees and their families. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed towards any political party under Section 182 of the Companies Act shall not be considered as CSR Spend.

Activities that are undertaken by a Company in pursuance of its normal course of business will not be considered as CSR activities.



5.3 Monitoring Mechanism:

CSR Committee of Nippon Koei India Private Limited will ensure effective implementation and monitoring of the projects approved by Board of Directors. The CSR Committee will submit periodic reports to the Board of Directors of Nippon Koei India Private Limited on the progress of the several projects approved by the Board.

5.4 Reports:

The CSR Committee shall prepare the Report on CSR Activities and place the same to the Board of Directors of the Company for its approval or ratification.

6. PUBLICATIONS OF CSR POLICY & PROGRAMS

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors Report and the same shall be displayed on Nippon Koei India Private Limited's website, if any.

7. POLICY REVIEW & FUTURE AMENDMENT

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.

Approved by :	<i>Board of Directors</i>
Date: :	<i>March 30, 2015</i>