

SMS Limited
(Formerly SMS Infrastructure Limited)
CSR Policy



Corporate Social Responsibility

ABSTRACT

The document outlines the Vision and Policy of SMS Limited (Formerly SMS Infrastructure Limited) towards Corporate Social Responsibility, in accordance with Section 135 of the Companies Act 2013 and the Rules thereunder. Our vision is – "to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".

"We cannot afford to create a lost generation of children deprived of their chance for an education that might lift them out of poverty." – Irina Bokova, UNESCO Director-General

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CSR POLICY OF SMS LIMITED

1. Introduction:

SMS Limited (Formerly SMS Infrastructure Limited) (SMSL) is a constituent of the SMS Group, incorporated in 1997, SMS Limited is one of the largest infrastructure Company of Central India.

SMSL's constant endeavor has been to provide an enhanced customer experience and achieve customer satisfaction by upscaling the efficiency of the enterprises and individuals we serve. We as a corporate entity envisage to nourish and sustain the ecosystems in which we operate by aiming for growth through sustainable development.

The underlying philosophy behind our interventions is that of an "Enable" for growth and change. SMSIL undertakes appropriate Corporate Social Responsibility (CSR) measures having direct, measurable and positive economic, social, and environmental impact on the community with particular emphasis on the local area and areas around where it operates.

SMS Limited has been a socially responsible company, and has been contributing for CSR activities to benefit the society at large by announcing Scholarship scheme through one of its Group company incorporated as Section 25 Company((referred to as a section 8 Company in Companies Act 2013).

In 2008, SMS Limited set up SMS Multi Objective Organisation, a Section 25 company (referred to as a section 8 Company in Companies Act 2013) to carry out its CSR activities. It began its welfare activities on 18th October, 2012 by introducing Scholarship Scheme which has been established and initiated in the name of the Founder of SMS Group Late Shri Shaktikumar M. Sancheti, titled as **"Shri Shaktikumar Madanlal Sancheti Scholarship Scheme"** by providing the financial assistance through scholarship program for meritorious children of employees (Supervisor / Clerical staff & below – level 6, 7 & 8 only) so that they are encouraged to go for higher education.

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2. Group Mission:

The CSR mission of SMS Limited derives its essence from the Group CSR corporate mission which aims “to be a socially responsible corporate entity with a thrust in the area of community development, environment, education and health and safety through sustained business conduct.”

3. Guiding Principles:

SMS Limited in its continuous efforts to positively impact the society, especially the areas around its sites and offices, has formulated policies for social development that are based on the following guiding principles:

- 1 Honour the spirit of law and be a responsible corporate citizen.
- 2 Pursue growth through harmony with the community via innovative management techniques.
- 3 Adopt an approach that aims at achieving a greater balance between social development and economic development.
- 4 Respect culture and customs of every project / plant location.
- 5 Work towards elimination of all barriers for the social inclusion of disadvantaged groups-such as the poor, socially backward, differently abled and others.
- 6 Develop practices aimed at inclusive growth.
- 7 Thrust on Environment Protection.

4. Applicability:

This CSR Policy is applicable to SMS Limited and its subsidiaries, which are mandated with the CSR expenditure obligations as per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

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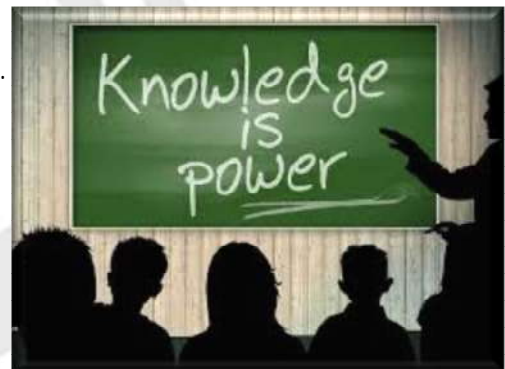
5. Focus Areas:

SMS Limited CSR areas target inclusive growth of all stakeholders under categories especially around its business operations and offices.

The focus areas that have emerged are Education, Health care, Sustainable livelihood, Infrastructure development, and espousing social causes. All of our community projects are carried out under the aegis of SMS Group for Community Initiatives and Rural Development.

In Education, our endeavour is to spark the desire for learning and knowledge at every stage through:

- Promoting education
- Construction & renovation of school buildings.
- Formal and non-formal education.
- Child labour schools.
- Girl child education.
- Digital literacy through computer education.
- Remedial centers.
- Merit-cum-means scholarships to students.
- Free supply of note books and text books.



In Health care our goal is to render quality health care facilities to people living in the villages and elsewhere through our Hospitals:

- Primary health care centers
- Mother and Child care projects
- Immunisation programmes with a thrust on polio eradication
- Health care for visually impaired, and physically challenged
- Preventive health through awareness programmes.



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In Sustainable Livelihood our programmes aim at providing livelihood in a locally appropriate and environmentally sustainable manner through:

- Formation of Self Help
- Groups for women empowerment
- Agriculture development and better farmer focus
- Water shed development
- Partnership with Industrial Training Institutes.



In Infrastructure Development we endeavour to set up essential services that form the foundation of sustainable development through:

- Basic infrastructure facilities
- Housing facilities
- Safe drinking water
- Sanitation & hygiene
- Renewable sources of energy.



To bring about Social Change we advocate and support:

- Widow remarriage
- Awareness programmes on anti social issues
- De-addiction campaigns and programmes
- Espousing basic moral values



ENVIRONMENTAL SUSTAINABILITY

- Ensuring environmental sustainability
- Ecological balance
- Protection of flora and fauna
- Animal welfare
- Agro - forestry
- Conservation of natural resources and maintaining the quality of soil, air and water.



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Focus Area of its Subsidiaries:

- Undertaken Sanitation Activities as referred in Sr.no.1 of Schedule VII of the Companies Act, 2013.
- Uphold and promote the principles of inclusive growth and equitable development
- Work actively in areas of preventive health and sanitation, education, skills for employability, livelihoods and income generation, waste resource management and water conservation for host communities for enhancing Human Development Index.
- Eradicating hunger, poverty & malnutrition, promoting preventing health care and sanitation and making available safe drinking water in nearby villages by constructing pipe line for clean drinking water and by water supply by tanker.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement projects.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement projects.
- Collaborate with like minded bodies like governments, voluntary organizations and academic institutes in pursuit of our goals .
- Interact regularly with society, review and publicly report our CSR initiatives

6. Undertaking CSR Activities:

SMS Limited will undertake its CSR activities, approved by the CSR Committee or through such other entity/Organisation as approved by the CSR Committee.

7. Location of CSR Efforts:

The CSR Committee will decide on the locations for CSR activities.

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8. Composition of CSR Committee:

The Composition of CSR Committee reconstituted vide Board Meeting dated 29th February, 2020 and now the Committee shall consist of the following directors:

- | | | |
|---------------------------------|---|--------|
| 1. Mr. Anand Sancheti | - | Member |
| 2. Mr. Ajay Kumar Lakhota | - | Member |
| 3. Mr. Ramendra Gupta | - | Member |
| 4. Mr. Paramveer Abhay Sancheti | - | Member |
| 5. Mr. Akshay Abhay Sancheti | - | Member |
| 6. Mr. Nirbhay Ajay Sancheti | - | Member |

9. Roles and Responsibilities:

CSR Committee shall consist of three or more directors of which at least one shall be an independent director. CSR committee shall have the following responsibilities:

- a. Formulation of CSR Policy.
- b. Regular monitoring of implementation of CSR policy.
- c. Identify key initiatives pursuant to the CSR policy.
- d. Recommend the CSR expenditure to be incurred to the Board.
- e. Recommend modifications to the CSR policy as and when required to the Board.
- f. Ensure that the proceeds generated, if any, out of the CSR activities of the Company are used for furthering the objectives under the CSR focus area.

10. CSR Expenditure:

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of the Schedule VII of the Act.

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The amount to be spent on CSR activities shall be calculated in accordance with the provisions of the Act and Rules made thereunder.

Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profit of the Company.

11. Execution & Monitoring & Reporting:

The CSR Committee shall:

1. Prepare and propose the CSR plan with the execution modalities and implementation schedules to the Board.
2. Periodically appraise the Board on the status of the CSR plan.
3. Institute a transparent monitoring mechanism for implementation of the CSR projects, programmes or activities undertaken by the Company.

To fulfill the above responsibilities, the CSR Committee would be equipped with necessary resources. The CSR team has been setup to ensure effective implementation of the CSR activities. The team would submit status reports of the projects/programmes to the CSR Committee on a periodic basis.

All disclosures, display and reporting requirement related to CSR shall be made in accordance with the provisions of the Act and Rules made thereunder.

12. Amendments to CSR Policy:

The Committee shall review this CSR Policy on a periodic basis and shall update it as necessary or appropriate (subject to approval by the Board, if applicable) to ensure that it reflects CSR Requirements as well as the current interests of the Company and relevant stakeholders.

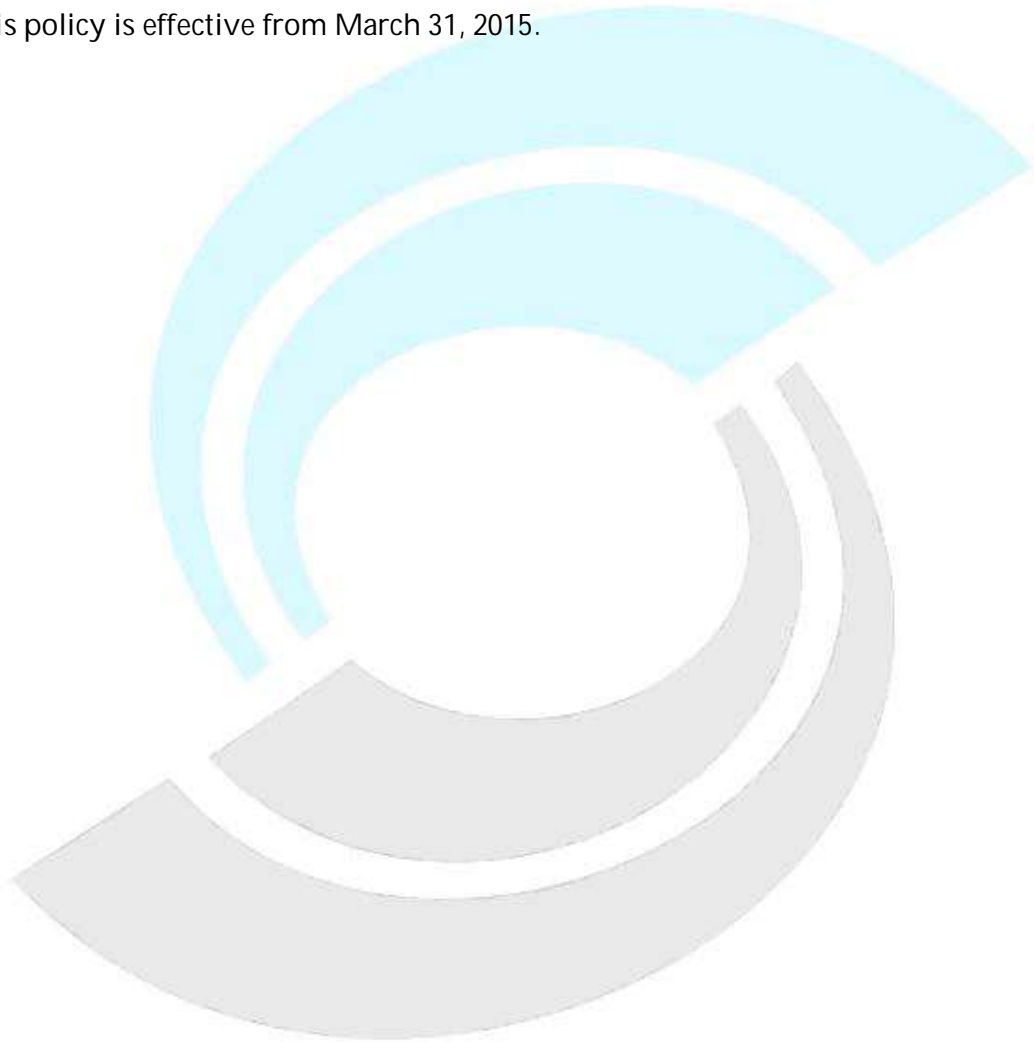
13. Disclosure of the Policy:

As per the Act, SMS Limited is required to disclose the composition of the CSR Committee and its CSR Policy in the Company's Annual Report and on the website. Further, the details of the CSR activities and programme taken up during the year will also be disclosed.

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14. EFFECTIVE DATE:

This policy is effective from March 31, 2015.



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