



# NCC Limited

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### A. POLICY OBJECTIVE

NCC Limited ('NCC' or 'the Company') is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

The Board of Directors (hereinafter referred to as 'the Board') of NCC has decided to adopt its CSR policy that will comply with the objectives and requirements stipulated in section 135 of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the Rules notified thereunder.

Company in the initial phase will focus on the following areas for CSR projects from amongst the activities specified under Schedule VII of the Companies Act, 2013 and the Rules made thereunder:

- A. RURAL DEVELOPMENT PROJECTS: Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- B. EDUCATION: Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.
- C. HUNGER, POVERTY, MALNUTRITION AND HEALTH: Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation, and making available safe drinking water.
- D. GENDER EQUALITY AND EMPOWERMENT OF WOMEN: Promoting gender equality and empowering women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- E. ENVIRONMENTAL SUSTAINABILITY: Ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining the quality of soil, air and water.



- F. NATIONAL HERITAGE, ART AND CULTURE: Protecting national heritage, religious places, art and culture including restoration of structures, buildings and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts.
- G. Contribution to the Prime Minister's National Relief Fund or any other Fund set-up by the Central Government or the State Governments for Socio Economic Development and Relief.
- H. The CSR committee may recommend to the Board of Directors additional CSR initiatives, based on specific merit, provided that these projects fall under the scope of schedule VII of the Companies Act, 2013, as may be amended from time to time.

## B. Applicability

- The CSR Policy shall apply to all CSR projects undertaken by the Company as per Schedule VII of the Act.
- The CSR Policy shall be applicable to the Company and all their employees.

## C. Responsibility of the Board of Directors

The Board is responsible for:

- approving the CSR Policy as formulated by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
- ensuring that in each financial year the Company spends at least 2% of the average net profit excluding profits arising from overseas branches made during the three immediate preceding financial years or such other amount as may be stipulated in accordance with the provisions of section 135 of the Act and the Rules notified thereunder.
- ensuring that in every financial year funds committed by the Company for CSR activities are utilized effectively.
- disclosing in its Annual Report the names of CSR Committee members, the content of the CSR Policy and ensure annual reporting of its CSR activities on the Company website. Any other acts, deeds and things as may be required under law from time to time.
- Board to report in its Report to the Members the reasons for failure if any to spend the stipulated amount towards CSR activities.



#### D. CSR Committee

- I. Composition: The CSR Committee shall consist of three or more directors of which, at least one will be an independent director.
- II. The CSR Committee of the Company is responsible for:
  - formulating and recommending to the Board the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act and the Rules framed thereunder.
  - recommending to the Board the CSR expenditure to be incurred.
  - recommending to the Board, modifications to the CSR Policy as and when required.
  - regularly monitoring the implementation of the CSR policy and reporting to the Board.

#### E. CSR Budget and utilization

CSR Committee will recommend the annual budgeted expenditure to the Board for its consideration and approval and which amounts shall be utilized in accordance with the CSR Policy.

NCC will undertake its CSR activities, approved by the CSR Committee, through the NCC Foundation or such other entity / organization as approved by the CSR Committee.

The surplus, if any, arising out of the CSR projects or programmes or activities will not form part of business profit of the Company.

#### F. Project identification and selection criteria

- Projects to be undertaken shall be in line with Section 135 read with Schedule VII of the Act and the Rules made thereunder and as approved by the CSR Committee.
- For selection of any project, the scope, environmental impact, cost, timelines, sustainability, visibility of the Company and other relevant factors needs to be evaluated.
- The authorized official incharge of CSR activities shall submit a detailed proposal before the CSR Committee for consideration regarding the projects to be implemented. The CSR Committee, after due evaluation of the projects and competency, cost, credibility etc., shall accord necessary approval.



## G. Monitoring and Reporting Framework

Company's CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the approved projects. The annual budget and list of CSR projects, and activities shall be presented to the CSR Committee for its approval.

In compliance with the Act and to ensure funds spent on CSR projects and activities are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework would be followed in compliance with the provisions of the Act.

