

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, as amended from time to time.

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.

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 and dividend received from other companies in India which are covered under and complying with the provisions of Section 135 of the Act, 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 any entity that is permitted under the statute to undertake CSR activities and through which the company intends to implement its CSR activities is registered with the Central Government.

- ensuring that in every financial year funds committed by the Company for CSR activities are utilized effectively and for the purpose(s) for which it was approved and which shall also be certified by the Chief Financial Officer/person responsible for financial management of the company in such manner as stipulated under the the Act read with the Rules framed thereunder.
- ensuring that multi year projects (“ongoing projects”) , if any, undertaken by the company do not extend beyond the period mentioned under the Act read with the Rules framed thereunder.
- monitoring ongoing projects undertaken by the company, if any, with respect to approved timelines and annual fund allocation and making any modifications that it considers necessary for the smooth implementation of such projects within the permissible time period.
- ensuring that administrative overheads do not exceed the limits of percentage of the total CSR expenditure for the financial year
- disclosing in its Annual Report the names of CSR Committee members, the contents of the CSR Policy, the projects approved by it and all other matters as required under the Act and the Rules made thereunder, including any amendments thereto.
- disclosing on the Company website the names of CSR Committee members, the contents of the CSR Policy and the projects approved by it in such manner and to the extent required under the Act read with the Rules framed thereunder.
- reporting in its Report to the Members the reasons for failure if any to spend the stipulated amount during the financial year towards CSR activities.
- Any other acts, deeds and things as may be required under law from time to time in such manner and to the extent required under the Act read with the Rules framed thereunder.

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, as amended from time to time.

- formulating and recommending to the Board an annual action plan that shall provide list of projects approved to be undertaken under the Company's CSR policy including the manner in which such projects may be implemented, the modalities of utilization of funds and implementation schedule, monitoring and reporting mechanism for such projects as also specifying projects that may need an impact assessment, where applicable, in accordance with the provisions of the Act and the Rules framed thereunder as amended from time to time.
- recommending to the Board the CSR expenditure to be incurred during a financial year.
- recommending to the Board, modifications to the CSR Policy as and when required.
- regularly monitoring the implementation of the CSR policy.

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 either on its own or, through the NCC Foundation or such other entity / organization as approved by the CSR Committee and that are recognised under the Companies Act, 2013 and the Rules thereunder to undertake CSR activities.

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

Treatment of Unspent Amount other than in respect of ongoing projects:

In case of any unspent amount is arising in any financial year out of the CSR projects, other than ongoing projects, such unspent amount shall be transferred within six months from the end of the financial year to any fund specified in Schedule VII of the Companies Act, 2013 or to such specific fund as may be prescribed from time to time for this purpose under the Companies Act, 2013 or Rules thereunder.

Treatment of Unspent Amount in case of ongoing projects:

Where the unspent amount is in respect of any ongoing project, the company shall within thirty days from the end of the financial year (or such other period as may be specified) transfer such unspent amount to a separate account called Unspent Corporate Social Responsibility Account to be opened in any scheduled bank by the company for that financial year. The company shall utilise such unspent amount for

the ongoing projects within a period of three financial years from its transfer, failing which such amount shall be transferred to any fund specified in Schedule VII of the Companies Act, 2013 or to such specific fund as may be prescribed from time to time for this purpose under the Companies Act, 2013 or Rules framed thereunder within 30 days from the end of the third financial year.

Treatment of Surplus Amount:

Any surplus amount, arising out of CSR activities will not form part of the business profit of the Company.

Set-Off of excess CSR amount spent:

Subject to the Board of Directors passing a resolution to that effect, any amount spent by the company in excess of the CSR requirement for the financial year, excluding surplus arising out of CSR activities, may be set-off against the CSR amount to be spent by the company in the immediate three financial years.

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, as amended from time to time.
- 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 and recommend the same to the Board of Directors.

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.

H. Acquisition of capital Assets:

The company may utilise the CSR amount to create or acquire a capital asset which shall be held by an entity as specified under the Act and the Rules framed thereunder as amended from time to time

I. Impact Assessment

The Company shall undertake an impact assessment by an independent agency of the CSR Projects in such manner and to the extent required in compliance with the provisions of the Act and the Rules framed thereunder as amended from time to time and comply with the applicable provisions.

J. Amendments In Law

Any subsequent amendment / modification to the CSR provisions as contained under the Act or Rules framed thereunder or other applicable laws in this regard shall automatically apply to this Policy and the Policy shall be deemed to have been amended accordingly.