

NAGREEKA CAPITAL & INFRASTRUCTURE LTD.

Corporate Social Responsibility (CSR) Policy

Version 5

Adopted in the meeting held on 31.07.2020

1. INTRODUCTION

- a.* The Corporate Social Responsibility (CSR) Policy of the Nagreeka Capital & Infrastructure Limited (NCIL) is aligned with its overall commitment to maintaining the highest standards of business performance.
- b.* The CSR commitment of NCIL positions its social and environmental consciousness as an integral part of its business plan and its commitment to all its stakeholders including consumers, share holders, employees, local communities and the society at large.
- c.* The policy has been formulated as per the provisions of section 135 of the Companies Act, 2013 (Act) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rules).

2. POLICY STATEMENT

The CSR Policy of NCIL aims to achieve, consolidate and strengthen Good Corporate Governance including socially and environmentally responsible business practices that balance financial profit with social well being.

3. SCOPE AND APPROACH

- a.* NCIL is committed to the well being of the local communities and the society at large.
- b.* The scope and approach of the CSR Policy of NCIL is defined by the following considerations:
 - (i)* NCIL acknowledges that there are or can be expected and unintended outcomes and impact of its core business which is to manufacture Concrete Sleepers and do Civil Construction.
 - (ii)* While the overall outcome of its work is a positive contribution to the economy and society at large, some of the impact could be negative in the short term.
 - (iii)* Given the nature of its work the strongest impact of its activities is primarily on the environment and communities in the immediate vicinity of working activities.
- c.* The geographic scope of NCIL's CSR work includes:
 - (i)* The immediate surroundings of its manufacturing units.
 - (ii)* The district, town or city as a whole where its activities are located.
 - (iii)* The country as whole as part of NCIL's contribution to national efforts towards social development of the communities at large.

4. STRATEGIES

The strategies for designing, implementing and monitoring the CSR activities of NCIL are based on the existing good practice models in the country, sample activities suggested in the CSR Guidelines as well as the first hand experience of the NCIL in implementing its CSR activities over the past years. These strategies will help in standardizing the CSR related processes, essential in the context of NCIL which is spread across the country.

5. GOAL

The overall goal is to promote sustainable and inclusive development as a Responsible Corporate Citizen.

6. OBJECTIVES

This goal will be achieved through the following broad Objectives:

- (i) Eradicating hunger, poverty and malnutrition promoting health care including preventive healthcare and sanitation including contribution to the Swach 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 centres 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 arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympics 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) Contribution 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 Organisation (DRDO), [Department of Biotechnology (DBT)], 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 area development
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

However, following shall not be included in the CSR Activities:

1. Any activities undertaken in pursuance of its normal course of business.
2. Any contribution made by the company of any amount directly or indirectly to any political party Under Section 182 of the Act.
3. The CSR projects or programs or activities which are exclusively for benefit of Company's employees or their families members.
4. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

The CSR projects or programs or activities undertaken by the company as per Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act.

The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and areas where the Company operates. All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR committee, which would then be placed before the forthcoming CSR committee for noting and record. The Chairman will ensure that the expenses/contribution and donation will be in full compliance of the CSR Policy.

7. IMPLEMENTATION MECHANISM

7.1 The Board of Directors shall be responsible for implementation of CSR policy and for this purpose constitute a CSR Committee consisting of such members/director as required by Act & Rules.

7.2 The Board shall be responsible for:-

- a. To ensure that at least 2% of average net profit of last 3 preceding years is spent on CSR activities every year as per the provision of the Act and Rules there under. (As per Companies (Amendment) Act, 2017, net profit of immediately preceding year to be considered. The said provision is yet to be notified. If notified, the amendment will effect automatically to this policy.)
- b. To approve the CSR Policy after considering recommendations of CSR Committee.
- c. To disclose CSR policy and initiatives in Board's report and Company's website.
- d. To ensure that activities reflected in CSR policy are actually undertaken by company.
- e. If the company does not spend 2% of net profits as required, then to carry forward the unspent amount for spending the same in the next year and also Board to report the reasons in the Board's report for not spending said CSR budget in full or part.

- 7.3 The CSR committee shall be responsible for the following: -
- a. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Act;
 - b. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
 - c. Monitor the CSR Policy of the company from time to time and report to the Board; and
 - d. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programme/activities proposed to be undertaken by the company.

7.4 The Company's CSR projects and programmes will be implemented through public charitable trusts, not-for-profit companies set up under Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Act,), through recognized and reputed NGOs and similar entities. The CSR projects and programmes may also be undertaken by Nagreeka Capital & Infrastructure Limited directly or with joint and collaborative efforts of other associate companies.

7.5 In term of sub-rule-2 of rule-4 of Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rule) :

The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through a registered (with Income Tax Department) 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 or otherwise:

Provided that-

- (i) if such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- (ii) the company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

7.6 In case of any doubt with regard to any provision of the policy and also In respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines issued by the Government from time to time.

8. REVIEW OF THE POLICY

The CSR Committee shall reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.