

1. PURPOSE

Nuberg Engineering Ltd. (hereinafter referred to as NBEL) is committed to conduct its business in a socially, ethically and environment friendly manner thereby improving quality of life of the communities in its operational areas. The purpose of NBEL's approach to Corporate Social Responsibility (CSR), together with Sustainable Development is to meet the needs of the present without compromising the ability of future generations to meet their own needs. Purpose of this policy is to serve as a guiding document to help plan, execute, monitor and evaluate CSR performance of NBEL's CSR activities in India.

2. OBJECTIVE

- To demonstrate NBEL's commitment to the social and environmental good through responsible business practices in adherence to ethical corporate governance standards.
- To support the national development initiatives thereby contributing to inclusive growth of the local community wherever we live and work.
- To create a sense of empathy and equity among employees of NBEL thereby motivating them to give back to the society.

3. CSR VISION

Empowering sustainable communities and ensuring environmental responsibility in alignment with our foundational belief of fostering sustainability thereby accelerating inclusive growth of the local community wherever we work and live.

4. SCOPE AND APPLICABILITY

NBEL's CSR policy has been developed pursuant to Section 135 of the Companies Act, 2013 and other applicable provisions including any statutory modification or amendment thereto (hereinafter referred to as the Act in this policy) and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any statutory modification or amendment thereto (herein after referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India from time to time. This Policy shall apply to all CSR projects/programs undertaken by NBEL in India as per Schedule VII of the Act.

5. CSR THRUST AREAS

NBEL's commitment to CSR will be in accordance with the activities mentioned in the Schedule VII of Section 135 of the Companies Act 2013. NBEL will undertake CSR initiatives in alignment with the projects of such duration as recommended by the CSR committee and approved by the Board of Directors related with:

- a. Improving quality of education with emphasis on girl child.
- b. Enhancing employability of youths through vocational training with emphasis on Women's economic empowerment
- c. Improving access to affordable healthcare of both humans and other living creatures.
- d. Ensuring environmental sustainability including promoting access to clean energy.
- e. Sponsoring relief effort at locations and/or in the vicinity of operational offices, plant(s) or sites of NBEL in India as part of integrated process of planning, organizing, coordinating and implementing measures which are necessary to mitigate the impact or consequences of a disaster due to catastrophe, mishap, calamity or grave occurrence from natural or man-made causes
- f. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making

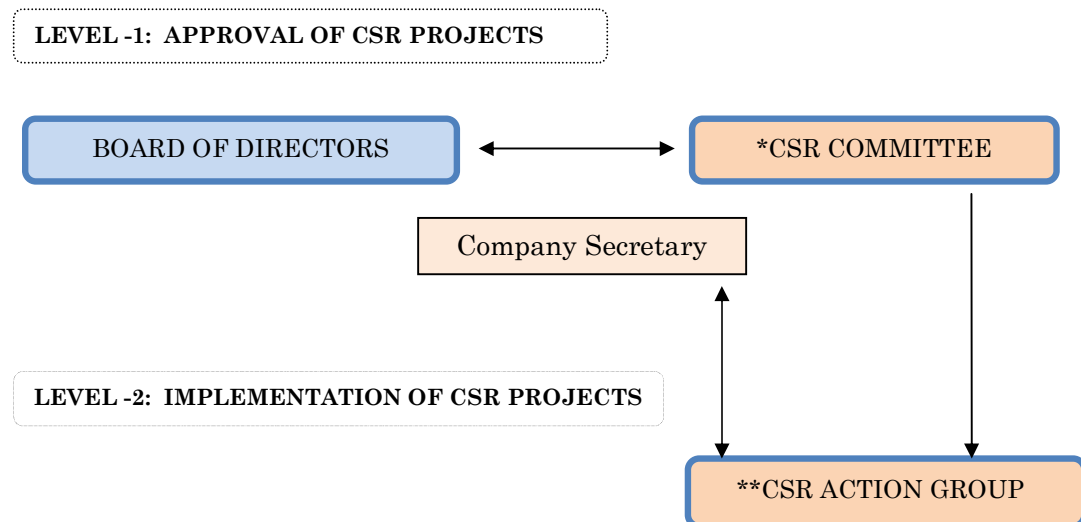
available safe drinking water.

- g. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently able and livelihood enhancement projects.
- h. 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;
- i. 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].
- j. 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;
- k. Measures for the benefit of armed forces veteran, war widows and their dependents;
- l. Training to promote rural sports including nationally recognized sports, Paralympics' sports and Olympic sports;
- m. Contribution to the Prime Minister's National Relief 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;
- n. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- o. Rural development projects
- p. Slum area development

6. GOVERNANCE

A robust and transparent two layered governance mechanism has been put in place to govern and review the CSR activities of NBEL in accordance with CSR Rules as prescribed in Section 135 of the Act.

STRUCTURE OF CSR FUNCTION



*CSR Committee:	3 Directors, One may be Managing Director and one shall Independent Director
**CSR Action Group:	The members of CSR Action group shall be persons officiating as CFO, CHRO, Head Project & Construction and 2 such other persons as nominated by Managing Director of the Company.

CSR COMMITTEE

The structure of CSR committee is well defined under the Companies Act, 2013. The CSR Committee of the company will consist of three directors one of whom will be Managing Director and one shall be an Independent Director.

The role/responsibilities of the CSR Committee include:

- a. Recommend to the Board of Directors a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the company on annual basis across its identified locations as specified in Schedule VII of the Companies Act 2013.
- b. To approve and recommend CSR Projects and/or activities to the Board of Directors
- c. To offer, select and appoint or form an entity in collaboration with other company as per rule 4(2) of Companies (Corporate Social Responsibility) Rule 2014, to carry on CSR Projects/ Activity of the Company.
- d. Recommend the amount of budgeted expenditure to be incurred on the activities referred to in clause (i) above.
- e. Monitor the Corporate Social Responsibility Policy of the company from time to time.
- f. Institute a transparent monitoring mechanism for implementation of the CSR activities.
- g. The CSR Committee shall meet as per the requirement to discuss and review the CSR Initiatives. A quorum of two members is required to be present for the proceedings pertaining to implementation of CSR activities.

The Company Secretary shall act as the secretary of the CSR Committee. She/he shall be responsible to record the Minutes of the meeting.

CSR ACTION GROUP (CAG)

The CAG shall be appointed or nominated by the CSR Committee and/or Managing director respectively. The composition and term of the members of CSR Action group shall be persons officiating as CFO, CHRO, Head Project & Construction and 2 such other persons as nominated by Managing Director of the Company.

The role/responsibilities of the CSR Action Group include:

- a. Identification and Due Diligence of NGO partners, if any for implementation of approved CSR activities.
- b. Identify and review the proposals for CSR Projects/Programs/Activities.
- c. Refer such CSR Projects/Programs/Activities to CSR committee in alignment with CSR vision and rules.
- d. Encourage employee engagement in terms of their participation in CSR projects.
- e. Undertake, implement, monitor, evaluate and report CSR committee the CSR Projects/ Programs/Activities and their status being undertaken by it.
- f. Responsible for quarterly review of CSR Projects/Programs/Activities against the incurred CSR expenditure.

- g. Appropriate documentation of all CSR Project implementation, annual CSR Activities, Implementation Partners, budget and expenditures shall be compiled and presented to the CSR Committee.
- h. The CAG shall meet as appropriate but not less than once in a month.
- i. The CAG shall prepare reports that are required to be placed before the CSR Committee and/or Board of Directors. The format of the Report shall be the format prescribed under the CSR Rules stated hereunder:

Sr. No	CSR Project or activity Identified	Sector which the project is covered	Project or Programs 1) Local Areas, 2) Specify the state and district where projects or programs was undertaken	Amount outlay (Budget) Project or Program wise	Amount spent on Project or Program a)Direct Expenditure b)Overhead	Cumulative Expenditure up to the reporting period	Amount Spent Direct or through Agency	Target Date & Status

All CSR Projects of NBEL will also be reported in the Annual Report of NBEL.

7. CSR EXPENDITURE

NBEL shall allocate at least 2% of its average net profits before taxes (EBT) of the preceding three years, towards various CSR Projects/Programs/Activities being undertaken by the Company.

Primary focus areas for majority of NBEL's CSR Projects/Programs/Activities spend will be in and around the areas wherever it has business operations. Other areas of Projects/Programs/ Activities spend will be subject to need to respond. Any expenditure incurred on capacity building of its own employee or administrative overheads including expenses pertaining to monitoring and evaluation of CSR projects shall not exceed five percent of the total CSR expenditure of NBEL in a financial year.

CSR expenditure shall include all expenditure pertaining to CSR projects/programs /activities in India approved by the Board of Directors in consultation with the CSR committee but do not include any expenditure on an item not in conformity with the projects/programs/activities that fall within the purview of Schedule VII of the Act.

Any unspent/unutilized CSR allocation of a particular financial year, will be carried forward to the following financial year and not be added to the normal business profits. These funds will be further used in development of future CSR projects/programs/activities.

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

8. DUE DILIGENCE: SELECTION OF PARTNERS

Following set of parameters should be ensured while selecting NGOs/NPOs, if required for execution of CSR projects/programs/activities. The identified partner (NGOs/NPOs) must

- a. Have a permanent office/address in India;
- b. Be a registered society under Societies' Registration Act or a Sec 8 Company or a social enterprise.
- c. Have a clean track record of at least three financial years.
- d. Have verifiable antecedents and verifiable credentials.

- e. Duly signed Indemnity declaration stating no relationship with the NGO/NPO partners and hence, no intention to yield business/personal benefits.(in terms of employee proposals or any proposal suggestions)
- f. Maintain duly audited annual accounts
- g. Preferably possess a valid Income tax Exemption Certificate.

While implementing any CSR projects/programs/activities, all possible efforts shall be made to define the following:

- a. Project Objective
- b. Project Rationale
- c. Duration of the project
- d. Funds required for the project
- e. Implementation timeline
- f. Responsibilities
- g. Measurable outcomes and indicators
- h. Effective monitoring and evaluation
- i. Self-sustainability of the project

9. MONITORING AND EVALUATION OF CSR PROJECTS

Monitoring and Evaluation of CSR projects are integral for achieving the desired quality of project deliverables.

- a. The CAG will implement and monitor all CSR Activities, including utilization of funds to ensure their effective implementation in accordance with the CSR rules.
- b. The CAG will convene at least monthly to review the progress of CSR projects in terms of both outcome assessment and financial monitoring.
- c. CSR Committee, if and as required, will conduct impact assessment of CSR projects on a periodic basis, either on its own or through an independent professional or professional institution.
- d. CSR Committee will conduct periodic CSR project site visits to ensure the transparency quotient of the undertaken projects.

In order to ensure transparency with all the relevant stakeholders, the CSR policy will be uploaded on NBEL's website.

10. POLICY GUIDELINES

The CSR policy shall be subservient to the provisions of the Act and Rules

- Contribution of any amount directly/indirectly to any political party shall not be considered as CSR.
- This CSR policy document will be reviewed from time to time and any changes, if necessary, will be approved by the CSR Committee or the Board.
- NBEL reserves the right to further review and update, modify, cancel, add, or amend any or all provisions of this CSR Policy when necessary.

11. DEFINITIONS & ABBREVIATIONS

Abbreviation / Term	Full Name/ Description
Act	Companies Act, 2013
CSR Rules	Companies Corporate Social Responsibility Rules, 2014
NBEL	Nuberg Engineering Ltd.
CSR	Corporate Social Responsibility
CAG	CSR Action Group
EBT	Earnings Before Taxes
NGO	Non-Governmental Organization
NPO	Non-Profit Organization

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