

AHLUWALIA CONTRACTS (INDIA) LTD
CORPORATE SOCIAL RESPONSIBILITY POLICY

In accordance with the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of Ahluwalia Contracts (India) Ltd ("the Company") was constituted by the Board of Directors of the Company at their meeting held on May 30, 2014.

The composition of the said Committee comprises of three directors viz., Dr. Sushil Chandra (Chairman) - Independent Director along with Mr. Shobhit Uppal, Member- Dy.Managing Director and Mr. Arun K Gupta, Member as the Independent Directors.

1. OBJECTIVE

This Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

ACIL Policy intends to:

- Establishing guidelines for compliance with the Provision
- To contribute economic development that positively impacts that society at large with minimum resources.
- The Company's CSR activities build an important bridge between business Operations and social commitment evolving into an integral part of business functions, goals and strategy.

2. LEGAL PROVISIONS

Section 135 of the Companies Act, 2013 provides that it will apply to every company with a net worth of Rs 500 Cr or more, turnover 1000 Cr or net profit of Rs 5 Cr or more any financial year. The amount has to be minimum of 2% of average net profit.

3. SCOPE

This Policy shall apply to all CSR projects/ programmes /activities undertaken by the Company in India as per Schedule VII of the Act

The amount has to be spent on the nine areas or activities that result in social good work as specified in followings:

1. Eradicating extreme hunger, poverty and malnutrition, promoting preventive health care, sanitation and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocational skills especially among children, women, and elderly and differently abled and livelihood enhancement project.
3. Promoting gender equality and empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facility for senior citizen and measures for reducing inequalities faced by socially or economically backward groups.
4. Ensuring environment sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
5. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art, setting of public libraries, promotion and development of traditional arts and handicrafts;
6. Measures for benefit of armed forces, veterans, war widows and their dependence.
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.

8. Contribution to Prime Ministers' Relief fund or any other fund set up by the Central Government for socio- economic development and relief.
9. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development project
11. Slum Area development.

4. DEFINITIONS:

1. Corporate Social Responsibility (CSR) means and includes but is not limited to:

Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 ('Act')

2. CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

3. CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.

4. Net Profit means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz;

(i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise and

(ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

5. CSR COMMITTEE

1. COMPOSITION OF CSR COMMITTEE-

The composition of the said Committee comprises of three directors viz., Dr. Sushil Chandra (Chairman) - Independent Director along with Mr. Shobhit Uppal, Member- Dy.Managing Director and Mr. Arun K Gupta, Member as the Independent Directors.

2. ROLE AND FUNCTIONS OF CSR COMMITTEE

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.
- b. Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- c. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- d. Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.

- e. Monitor the implementation of the CSR Policy from time to time.
- f. Such other functions as the Board may deem fit.

6. CSR BUDGET AND UTILISATION

CSR Committee will recommend the annual budgeted expenditure for each project to the Board for its consideration and approval and shall be utilized on approved project in accordance with CSR Policy.

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

7. ROLE OF THE BOARD

- a. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company
- b. Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- c. The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company Established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that –

If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other Company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;

- d. Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy.

Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates,

- e. As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

8. CSR MONITORING AND REPORTING FRAMEWORK

In compliance with the Act and to ensure funds spent on CSR activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place.

The CSR Committee shall monitor the implementation of CSR Policy through periodic reviews of the CSR activities.

The respective CSR personnel will present their annual budget alongwith the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

9. CSR EXPENDITURE

The CSR activities undertaken in India only shall amount to CSR Expenditure.

CSR Expenditure shall include all expenditure including contribution to corpus for 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 purview of Schedule VII of the Act.

10. DISCLOSURE OF THE POLICY

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

11. DISCLOSURE OF THE POLICY

The Board Report of a Company shall include an Annual Report on CSR containing particulars specified in Annexure to CSR Rules as per the prescribed format.

12. MEETINGS OF THE CSR COMMITTEE.

a) Frequency and quorum of the Meeting

The meeting of the Committee could be held at such periodic intervals as may be required. Minimum two members shall constitute a quorum for committee meeting.

b) Chairman and Secretary of the Committee

In the absence of the chairman, the members of the committee present at the meeting shall choose one amongst them to act as chairman. The Company Secretary of the Company shall act as Secretary of the Committee.

c) Minutes of the Committee Meeting

Proceeding of all meetings must be minutes and signed by the Chairman of the Committee and tabled at subsequent Board and committee meeting.

13. MISCELLANEOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any of the Companies Act, 2013, rules made thereunder or any other applicable enactment for time being in force.