

ABCI'S

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

1.1. CORPORATE PHILOSOPHY

ABCI Infrastructures Pvt. Ltd. (hereinafter referred to as "ABCI") was floated in the year 1993 but it actually started active participation in the business activities from the year 2002 and now ABCI is one of the major construction company in the eastern India engaged in the business of construction of roads, bridges and other similar activities. The betterment of society cannot be considered to be a job which can be left to a few persons but it is a combined responsibility to be shared by all. Taking this into account ABCI provides a core value to the social responsibility task and counts it as one of its major corporate objectives.

1.2. CSR IN INDIA

CSR in India has been seen as a philanthropic or religious activity. While the big corporate houses have been engaged in doing CSR activities voluntarily from quite a long period but the new CSR provisions in the Companies Act, 2013 has put greater responsibility on companies to set out a clear framework and process to ensure strict compliance. The new Companies Act, 2013 (hereinafter referred to as, the Act) has introduced the idea of CSR to the forefront and through its "Comply or Explain" mandate. It has now become mandatory for companies to whom the CSR regulations have become applicable to constitute a CSR Committee to officially and effectively monitor CSR activities of the company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as CSR Rules) define the modus operandi of the framework of carrying out the said CSR activities which are explained in details in Schedule VII of the Act.

2. OBJECTIVE AND SCOPE

The main objective of ABCI CSR Policy is to lay down and prepare guidelines to make CSR as one of the key focus areas where ABCI can play a positive role and provide a reasonable contribution to the society by entering into sustainable programs of high impact and integrity. The policy covers current as well as proposed CSR activities to be carried out by ABCI and ensuring that the said activities meet the requirements of Schedule VII of the Act as may be amended from time to time. It also covers the CSR activities which are to be carried out only in India and further includes the strategy of the company towards CSR that defines plans for further CSR activities. ABCI proposes to implement its CSR activities in various sectors stated here under:

2.1. TARGETED SECTORS

- a) Healthcare
- b) Sanitation
- c) Drinking water
- d) Education

- e) Rural development
- f) Vocational skills
- g) Entrepreneurship skills
- h) Employment opportunities
- i) Facilities for senior citizens
- j) Medical aids
- k) Construction of old age homes and women hostels
- l) Special employment opportunities for women
- m) Environment protection
- n) Animal welfare
- o) Conservation of natural resources
- p) Protection of national heritage
- q) Promoting and developing art and culture
- r) Public library
- s) Promotion and development of rural sports and national games
- t) Participation in rural development projects
- u) Contribution to funds set up by the Central or State Governments for developments and welfare of Scheduled Castes, Scheduled Tribes and minorities.

And any other areas which may be prescribed under Schedule VII from time to time.

The company will review the sectors and make additions or deletions there to as and when considered necessary.

3. CSR COMMITTEE

3.1. CONSTITUTION

Pursuant to the provisions under Section 135 of the Act, the Board of Directors of the company at its meeting held on 6th May 2014 has constituted a CSR Committee nominating 3 directors to be the members of the said committee.

3.2. POWERS OF THE COMMITTEE

It is proposed to empower the CSR Committee with the following powers:

- a) To formulate CSR policy and recommend the Board of Directors of the company for approval.
- b) To recommend CSR activities in the line and as per the provisions stated under Schedule VII of the Act.
- c) To approve to undertake CSR activities in collaboration or association with other companies/ firms/ NGOs/ charitable trusts, etc. and to separately report about the day to day progress of the CSR project undertaken by the company to the Board of Directors in the form as prescribed under the CSR Rules.
- d) To recommend the CSR budget and project wise allocation of funds to the Board of Directors.
- e) To spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the company in accordance with the Act and the CSR Rules.

- f) To create and apply transparent monitoring mechanism for implementation of CSR initiatives.
- g) To submit timely reports to the Board of Directors as regards progress made in the CSR activities.
- h) To review and monitor CSR policy from time to time.
- i) To monitor activities of associates along with whom the CSR activities of the company are being processed or carried out.

3.3. FREQUENCY OF THE MEETINGS OF THE CSR COMMITTEE

The CSR Committee shall meet at least once in a quarter. Members of the CSR Committee shall be eligible to decide the date, time and venue of such meetings as per their convenience and agreed mutually. Quorum for the meeting shall be at least 2 members personally present. Other members of the management may attend the CSR Committee Meetings as may be appropriate and required specifically subject to approval of the CSR Committee. Minutes of the CSR Committee meetings shall be placed before the Board for noting and necessary approvals.

4. CSR BUDGET/ CSR SPENDING

The Act has made it mandatory for the companies to whom the CSR provisions are applicable to allocate certain portion of their annual net profits (before tax) during the 3 immediately preceding Financial Years to be spent on CSR activities exclusively in line with the CSR activities provided under Schedule VII of the Act.

4.1. CSR EXPENDITURE

Net profit means the profit which has been described under Rule 2(f) of the CSR Rules. The CSR Expenditure shall be inclusive of all expenditure including contribution to corpus of a trust or on projects or programs related to CSR activities approved by Board of Directors on the recommendation of its CSR Committee but shall not include any expenditure on an item which is not in conformity or not related to the activities as stated under Schedule VII of the Act.

4.2. EXPENDITURE ON CSR CAPABILITY

The company may create or build CSR capability of its own personnel and with personnel belonging to any associate company or agency participating along with the company in CSR projects and programs undertaken by the company but such expenditure shall not exceed 5% of the total CSR spending of the company. As regards determination of whether a particular expense shall fall within the 5% cap shall be decided in consultation with the Chief Financial Officer of the company based on the clarification as may be available from time to time from the Ministry of Corporate Affairs in this regard.

4.3. FAILURE TO SPEND CSR MONEY

In case the company fails to spend the targeted amount as prescribed under the CSR Rules in any particular Financial Year, the Committee shall submit a report in writing to the Board of Directors clearly stating the reasons for such failure or not spending the amount which in turn shall be reported by the Board of Directors in their Annual Directors' Report for that particular Financial Year. Surplus if any arising out of the said CSR initiatives shall not form part of business profit of the company.

5. CSR INITIATIVES

In accordance with the provisions contained in Schedule VII of the Act and the CSR Rules, the company shall undertake CSR activities included in its CSR Annual Plans duly recommended by the CSR Committee at the beginning of each year. The CSR Committee shall remain authorised to approve any modification to the said annual CSR plan or to propose any new program other than the already fixed programs during any Financial Year under review.

5.1. ANNUAL CSR PLANS

The Annual CSR Plan is an yearly plan of the CSR activities of the company that would be placed before the Board of Directors of the company based on the recommendation of its CSR Committee which would take the following aspects of CSR Initiatives of the company into consideration.

- a) Tailor made CSR projects depending upon the allocated amount to be spent by the company and the geographical presence of the site where the program is to be carried out.
- b) Partnering agencies/ companies/ firms/ NGOs etc.
- c) Project proposals
- d) Process owners (under whom the entire CSR activity of a program shall be carried out.
- e) Targeted beneficiaries and their key needs likely to be fulfilled by the program/projects
- f) To ensure that the proposed initiatives i.e. the project/program is within the framework of Schedule VII.
- g) Project goals and its proposed final outcome.
- h) Brief details of activities involved in the proposed program/project and the expected time by which the program/project is likely to be completed.
- i) CSR Budget with projections
- j) Monitoring mechanism
- k) Progress reporting and frequency of such reports
- l) To have a note of any type of risk in such program/project required by the CSR Committee.

5.2. COLLABORATION

The company may collaborate with any other company as may be approved by the CSR Committee to implement its CSR activities and the same shall be a part of the CSR Annual plan. The company may form its own trust to carry out CSR activities in accordance with the provisions contained in the CSR Rules. The company may also collaborate with any other company as may be eligible and approved by the CSR Committee as well as by the Board of Directors jointly to form a trust for carrying out its CSR activities.

5.3. DISQUALIFYING ACTIVITIES FOR CSR

The CSR Rules prohibit the CSR projects/programs that are being implemented by the company for the benefit of its employees and their families. Any CSR activity which has been carried out outside India shall also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed to a political party under Section 182 of the Act shall also not be considered as a CSR spend. Activities that are undertaken by the company along with its normal course of business shall also not be included in the list of CSR activities.

5.4. MONITORING MECHANISM

A joint working group comprising the employees of the company and the representatives of other entities with whom the company decides to carry out any CSR project/program for the purpose of fulfilling CSR obligations may be created to ensure effective implementation and monitoring of the projects approved by the CSR Committee. The said joint working group shall submit its report from time to time containing details of the progress made in any project/proposal to the CSR Committee. The CSR Committee may also entrust any specific performance to be carried out by the same joint working group.

5.5. REPORTS

The joint working group shall extend its full support and assist the CSR Committee in preparing the reports in respect of the activities carried out by the company in its projects/programs for the purpose of placing the said report before the Board of Directors for its consideration. Such reports shall be in the following format:

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budge) project or program s wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.							
2.							
3.							
	TOTAL						

6. PUBLICATION OF CSR POLICIES AND PROGRAMMES

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and that the same shall also be displayed on the company's website, if any.

7. POLICY REVIEW AND FUTURE AMENDMENT

The CSR Committee shall review the policy on annual basis and shall make suitable amendments or changes therein as may be required and submit the same for the approval of Board of Directors.

Note: Corporate Social Responsibility Policy was recommended by the CSR Committee on 28th August 2014 and was approved by the Board at its meeting held on 3rd September, 2014.