



**NBCC**  
**CORPORATE**  
**SOCIAL**  
**RESPONSIBILITY**  
**&**  
**SUSTAINABILITY**  
**DEVELOPMENT**  
**POLICY**  
**2015**

## 1. SHORT TITLE AND DEFINITIONS

1.1 The "Act" Means the Companies Act, 2013.

1.2 "Corporate Social Responsibility" means and includes but is not limited to :-

- i. Projects or programs relating to activities specified in Schedule VII to the Act; or
- ii. Projects or programs relating to activities undertaken by the Board of Directors of a company (Board) in pursuance of recommendations of the Board Level CSR Committee of the Board as per declared CSR & SD Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

1.3 The "Board Level CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

1.4 "CSR & SD Policy" relates to the Activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company.

1.5 "Net Profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following namely :-

- 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, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act

- 1.6 This policy, which encompasses the company's philosophy for delineating its responsibility as a *corporate citizen* and lays down the guidelines and mechanism for undertaking projects and programmes for socio-economic development and empowerment and sustainable development of the community at large, is titled as the '*NBCC CSR & SD Policy*'.
- 1.7 This policy shall apply to all CSR initiatives and projects taken up at various sites and locations of NBCC, for the development and empowerment of deprived and underprivileged sections of the society.
- 1.8 CSR is the process by which an Organization thinks about and evolves its relationships with stakeholders for the common good, and demonstrate its commitment in this regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations.<sup>1</sup>
- 1.9 CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth.<sup>2</sup>
- 1.10 Sustainable development is development that meets the needs of the present without compromising the ability of the future generations to meet their own needs. Sustainable Development involves an enduring

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<sup>1</sup>Guidelines on Corporate Social Responsibility and Sustainability for CPSEs by DPE

<sup>2</sup> Corporate Social Responsibility Rules under Section 135 of the Companies Act, 2013

and balanced approach to economic activity, social progress and environmental responsibility.<sup>3</sup>

## **CSR VISION**

"To establish itself and fulfil its role as a socially responsible corporate entity. To act in a socially responsible manner to contribute to the socio-economic development of the communities we operate in, by building stronger, developed, sustainable communities and raise the quality of life of the people of the country."

## **CSR MISSION**

1. To undertake holistic development initiatives / projects in the community at large
2. To take up CSR projects in the area of quality education, skill development and livelihoods, healthcare, infrastructural development in rural areas, training and awareness, employee sensitisation towards CSR, etc. to improve the quality of life and standard of living of the rural populace as first priority.
3. NBCC will act as a good Corporate Citizen, subscribing to the ten principles of United Nations Global Compact for implementation.

## **CSR OBJECTIVES**

- To aim to provide quality education through scholarships, material support, academic support, infrastructural support, teaching aids, etc. majorly focusing on girl child, Scheduled Castes & Tribes and other backward communities
- To aim to provide healthcare services with focus on issues of health, hygiene and sanitation in remote and inaccessible rural as well as urban areas by devising focused strategies as per the needs of different areas

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<sup>3</sup>Guidelines on Sustainable Development for the year 2012-13

- To provide vocational / skill based trainings to underprivileged youth as per the local market employability / Entrepreneurship with job placements to ensure economic as well as social sustainability of the youth population and their families
- To develop necessary infrastructure in rural areas based on requirement supported with data and documentary evidence to enhance the quality of living
- To sensitise the company officials towards the CSR to imbibe socially responsible values in the DNA of the company through trainings, workshops, seminars, etc.
- To undertake CSR projects largely in and around NBCC project sites and offices (any other needy area or backward district can be taken up irrespective of operations of the company)
- To generate, through its CSR initiatives, a community goodwill for NBCC and help reinforce a positive and socially responsible image of NBCC as a corporate entity
- To ensure environmental sustainability.

## **2. FUNCTIONING OF NBCC'S CSR**

- 2.1. NBCC will function on the principles of its CSR values (vision, mission and objectives) as laid out in Para 1.
- 2.2. NBCC will abide by Section 135 of Companies Act, 2013 in principle for its CSR functioning read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time.
- 2.3. NBCC shall spend 2% of the average Net Profit in immediately preceding three FYs on CSR Activities / Projects.
- 2.4. The surplus arising out of the CSR Projects / programs / activities shall not form part of the Business profit.
- 2.5. Surplus arising out should immediately be recognised as liability for CSR expenditure
- 2.6. NBCC has Board Level CSR Committee consisting of three Directors.

- 2.7. The Board Level CSR Committee should formulate and recommend NBCC CSR & SD Policy to the Board and review it periodically. The committee also recommend / approve the CSR Activity and the expenditure to be incurred on the CSR activities.
- 2.8. Based on recommendations of the Board Level CSR Committee, the Board approves NBCC CSR & SD Policy, disclose composition of Board Level CSR Committee and contents of CSR & SD Policy in its report and publish it on NBCC's website.
- 2.9. The Board shall also ensure that the activities are undertaken as per CSR & SD Policy.
- 2.10. The company shall give preference to local areas and areas around where it operates for spending the amount earmarked for Corporate Social Responsibility activities.
- 2.11. If the company fails to spend earmarked amount for CSR, the Board shall, in its Annual Report, specify the reasons for the same.

### **3.0 FUNDING AND RESOURCE ALLOCATION**

- 3.1 NBCC will spend 2% of the average of last three year's Net Profit for CSR Projects / Activities.
- 3.2 The expenditure towards Proposal Evaluation / Need Assessment / Baseline Survey, Mid-term Assessment, Impact Assessment, Documentation & Dissemination, Trainings for employees' sensitization towards CSR, Identification of CSR Activities / Projects Monitoring / Coordination Activities, Fee of experts such as Consultants / designers etc. shall form part of CSR expenditure and would be covered under CSR Head.
- 3.3 On the basis of identified CSR Activities / Projects, the CSR Annual Plan will be prepared by the CSR Department

## **4.0 PLANNING AND IMPLEMENTATION OF THE COMPANIES ACT, 2013 ON PAN INDIA BASIS**

### **4.1 THRUST AREAS**

In order to channelize CSR resources in a focused and meaningful manner, following thrust areas in accordance to Schedule – VII of the Companies Act, 2013 have been identified by NBCC:

- I. eradicating hunger, poverty and malnutrition, promoting preventive health care and 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;
- 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 and handicrafts;
- VI. measures for the benefit of armed forces veterans, war widows and their dependents;
- VII. Promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- VIII. 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;

- IX. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- X. rural development projects.
- XI. Slum Development - any area decided as such by the Central Government or any State Government or any other Competent Authority under any law for the time being in force
- XII. In line with the Ministry of Corporate Affairs (MCA) Circular No. 21/2014 dated 18.6.2014, one-off events such as marathons / awards / charitable contributions / advertisements / sponsorship of TV programs / events involving celebrities, specifically for entertainment purposes, etc. would not qualify as CSR Activities.
- XIII. Any other changes / modifications made by the Ministry of Corporate Affairs / DPE / Govt. vide their circulars issued from time to time.

Keeping in mind the need of planned CSR projects, following are key steps to be taken by NBCC CSR team:

**4.2 Baseline Survey** : As a first step, to assess the impact of any project/programme/activity, there is a need to establish the base. This base establishment will help the company to see the changes after intervening in a specific area. Baseline Survey can be undertaken by an expert agency or by Company itself to assess the needs as well as establish the baseline information and statistics so as to allow a comparison of the 'then' and 'now' situation in the future. This will clearly show the 'impact' the project has created.

**4.3 Needs Assessment** : It is also important to conduct an unbiased needs assessment in the area prior to undertaking a CSR project in order to ascertain the specific needs, problems



and relevant solutions from the community perspective, as also gain an understanding from the perspectives of the village / Distt. / State authorities, and the concerned HODs of NBCC.

**4.4 Proposal Evaluation :** A thorough evaluation of proposals should be conducted based on needs. For this purpose, only those proposals that are supported by data, documentary evidence, clearly indicating the need, preferably in thrust areas of the company or as decided by the Competent Authority / Board Level CSR Committee, shall be taken up. Also, there needs to be clear criterion to evaluate the reliability of the proposal as also adherence to the Companies Act, 2013 and adherence to NBCC CSR & SD Policy.

**4.5** All the interventions made by company should be implemented in a project mode with clear objectives and goals mentioned. The goals should be laid on SMART principle which is:

S = SPECIFIC

M = MEASURABLE

A = ATTAINABLE

R = RELEVANT

T = TIME BOUND

**4.6** In exceptional cases where the interventions made by the company under CSR are not in project mode, and are one-time activities, the reason for doing so should be recorded in writing. These one-time activities should constitute only 5% of NBCC's total CSR spending for that year. Rest should be in project-mode as mentioned in section 4.4, Clause 4.2, 4.3 & 4.4

**4.7** As the projects are related to socio-economic development and environmental protection, specialised agencies should be involved in designing and implementation of the same. In the absence of in-house expertise in social, economic and environmental areas, partnering with experts in the field is crucial to achieve NBCC's CSR vision, mission and objectives.

- 4.8** However, if there are projects related to company's core competency then company should use in-house expertise in implementing the same.
- 4.9** NBCC may support Central/State Government and district administration in order to dovetail and synergise with their programmes/projects by its initiatives in ***last mile*** approach.
- 4.10** Identification of CSR Projects / activities at Corporate / RBG / SBG / Zone level will be done by any one of or combination of the following :-

- i. In-house planned projects - for selection of location preferably in local areas by respective HODs.
- ii. Proposals from District Administration / Govt. Body / any other govt. agency

During identification / selection of the CSR Activity, an undertaking from District Administration / Govt. Body / any other govt. agency shall be obtained in prescribed format , placed at Annexure – A, that for the particular project / activity funding from some other agency has not been taken.

## **5.0 SELECTION CRITERION FOR SPECIALISED AGENCY**

- 5.1** To identify the CSR Activities, RBG / SBG / ZO / Govt. agencies should forward a formal proposal with complete detail like name of work, availability of land, formal NOC letter from concerned department etc. , approximate cost of Project along with line diagram plan, non-availability of fund in concerned department and recommendations of RBG / SBG / Zonal Incharges / Any other Govt. agencies etc. to CSR Cell, H.O. so that the same could be put up to Board Level CSR Committee for their comments and approval.

**5.2** The Baseline / Need Assessment, proposal Evaluation, Mid-term Assessment & Impact Assessment for all the approved CSR Activities shall be carried out by Tata Institute of Social Sciences (TISS) NCSR Hub / any other Educational Institution/ by Company itself or otherwise as per requirement and as approved by the Board Level CSR Committee.

**5.3** i. Care should be exercised in selecting specialised agencies which have the necessary competencies, expertise and capabilities to implement the projects. Duly empanelled list of Organizations available with National CSR Hub, TISS / any other Educational Institution can be availed to identify the credible partners for the implementation of NBCC's projects for conducting Baseline Survey and Implementation of Skill & Entrepreneurship Development Programs through NSDC Partners.

ii. The Board of the Company may decide to undertake its CSR Activities approved by the Board Level CSR Committee through a Registered 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. Specialised agencies may include Government department, semi-government, autonomous Organizations, professional consultancy Organizations, registered Trusts / Missions, community based Organizations, self-help groups, not-for-profit Organizations, local bodies such as Panchayati Raj Institutions, Academic Institutions, etc.

iii In any other way in accordance with the Companies (Corporate Social Responsibility Policy) Rules 2014, eg. on its own.

**5.4** i. The Implementation Agency can be finalised through normal tender procedure of NBCC by adopting NIT, GCC, Price Bid and other requirements after NIT approved from TSC

members or any other Agency including NBCC Services Limited, a Subsidiary company of NBCC, approved by the Board Level CSR Committee.

ii The Baseline Survey / Need Assessment / Proposal Evaluation, Mid – term Assessment & Impact Assessment Agency can be finalised, through normal procedure of NBCC by calling sealed quotation or agency finalised by the Board Level CSR Committee.

5.5 i. Once the projects/programmes/activities are approved and communicated to the approved agency, they will be required to enter into an agreement with each of the executing/implementing agency as per the NIT and Voluntary Organizations approved by Board Level CSR Committee.

ii. After approval from Board Level CSR Committee /Board of Directors, the concerned RBG / SBG / Z.O. / Approved Agency should be fully responsible for timely completion, Quality of work, timely handing over and other legalities as per N.I.T. / MOU.

5.6 In case of project/programme execution by Voluntary Organizations, the following minimum criterion needs to be ensured:

- a. The Organization has a permanent office/address in India.
- b. The Organization is a registered society under Societies' Registration Act
- c. The Organization should have an established track record of at least three years in carrying out activities in related areas.
- d. The Organization should possess a valid income-tax exemption certificate.
- e. The antecedents of the Organization are verifiable / subject to confirmation.
- f. Formal MOU / Agreement

All activities should represent the plaque of NBCC, engraved / written with paint "A CSR Initiative of NBCC" in bold letters clearly visible from all-around.

## **6 MONITORING, EVALUATION AND IMPACT ASSESSMENT**

- 6.1 Monitoring and Evaluation go hand in hand with the implementation of the project/activity. Timelines, budgetary expenditures and achievement of milestones can only be assessed by monitoring the project.
- 6.2 **Monitoring** should be periodic with a checklist of key indicators related to the project which is helpful in understanding the present picture. Monitoring also creates possibilities of mid-term course corrections in the project.
- 6.3 Monitoring should be taken care by NBCC CSR team or by any agency appointed for the purpose by the Board for its CSR projects. This ensures the involvement and ownership of CSR projects by the company.
- 6.4 The reporting format by which the implementing Organization submits its weekly/monthly/quarterly/yearly reports should be collaboratively designed by the company and the implementing Organization by keeping all the indicators of the projects in focus. The reporting format should also have a qualitative data section apart from quantitative data section.
- 6.5 In the case of one-time activity, monitoring should take place after handing over the services to Panchayat / State Government/Central Government etc. as this helps the company in understanding the functioning of the services provided. This also helps in taking mid-term course corrections if the services provided are not functional.

- 6.6 For long term sustainability of CSR Activities half yearly visit by the CSR Monitoring Team for a period of 5 years may be undertaken, to ascertain status / progress of the Activity.
- 6.7 **Evaluation** should be conducted by a third party that is not involved in implementation of the project at all. If required, it is advisable to appoint the agency engaged in baseline survey/need assessment for evaluation as the agency can clearly observe and assess whether the implementation is going in right direction as designed. Any new agency can also be recruited for the same.
- 6.8 After completion of the project/programmes/activities, NBCC should partner with a third party to conduct **Impact Assessment** study. Impact Assessment study drives to a conclusion whether the objectives of the project have been achieved or not. It also documents the socio-economic improvement and changes in quality of life of the beneficiaries. It also assesses the process of documentation, reporting, implementation, monitoring, beneficiaries' selection in line with the proposal/ needs assessment made beforehand, and all other aspects of the projects and gives a holistic view. It also documents what can be done to replicate the same programme with better results by the company.

## 7 **UPKEEP AND MAINTENANCE OF ASSETS CREATED**

Maintenance of Assets created under CSR would be the responsibility of the concerned State Governments and local institutions like Gram Panchayats and Govt. Bodies. Before any capital investment is made, an undertaking would be taken from the representatives of local community that they would be responsible for regular maintenance of the assets created by NBCC. This should be complimented by continuous monitoring & evaluation by NBCC of all the assets created.

## **8 POWERS OF APPROVAL**

The Board of Directors on the recommendations of Board Level CSR Committee will approve the CSR & SD Policy for the Company and the same will be displayed on the Company's web-site. Board of Directors shall also ensure that the activities included in the CSR & SD Policy of the Company are duly undertaken by the Company.

## **9 Reporting**

9.1 Contents of the CSR & SD Policy would be disclosed in Director's report and same shall be displayed in the Company's website, in the prescribed format.

9.2 The Board's report will include the following :

- i. A brief outline of the CSR & SD Policy, including overview of projects proposed to be undertaken and a reference to the web link to the CSR & SD Policy and projects.
- ii. Composition of the Board Level CSR Committee
- iii. Average net profit for last three FYs
- iv. Prescribed CSR Expenditure
- v. Details of CSR Spent during the financial year in the prescribed format.
- vi. In case the company fails to spend the 2% of average net profit of the last three FYs or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
- vii. A responsibility statement of the Board Level CSR Committee that the implementation and monitoring of CSR & SD Policy, is in compliance with CSR objectives and Policy of the company.

- viii. The report would be signed by :
- Chief Executive Officer or Managing Director or Director or;
  - Chairman of the Board Level CSR Committee

## **10 Miscellaneous**

- 10.1 The Company reserves the right to modify, cancel, add or amend any of the provisions of this policy in accordance to the prevailing statute.
- 10.2 Notwithstanding any clause in the Policy, no action pertaining to CSR Activities shall be taken in contravention of the provision of the section 135 of the Companies Act, 2013 and of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.



## SUSTAINABILITY DEVELOPMENT

Sustainable Development is the need of the hour in today's fragile and natural resource constrained world, the guiding principle of which is balancing of the Environmental, Social and Economic concerns. At NBCC, India's largest construction PSU it is our commitment to PROMOTE the nation and our constant endeavour to operate in an environmentally conscious and responsible manner, while catering to the nation's ever increasing demand for infrastructure.

- Support global clean energy economy that is already underway. For the purpose, eliminate air and water pollution, promote technology innovation, energy efficiency and a diversity of renewable resources such as solar, wind, hydro, sustainable biomass and geothermal.
- Affirm its commitment to contributing towards a clean and sustainable environment and continuously enhancing its environment related performance as an integral part of its business philosophy and values.
- Adopt an approach that integrates quality, affordability, and sustainability. Every method / product /design should be safe, effective, good-looking and reasonably priced.
- Inspire Cradle to Cradle approach. C2C calls for waste-free design, raw materials are as natural and as possible it can be reused continuously. C2C stands in direct contrast to the traditional "lab – to-landfill" (L2L) approach.
- The future lies in the energy efficiency, green and renewable energy sector. Bold measures in off-grid to harness wind, solar and hydro power so as to bring about a change / improvement in quality of life of the people. Use, smart windows to control heat & light.
- Smart city initiative – Information, communication and technology – enabled governance. Efficient Utilities – energy, water, solid waste, effluents. Meaningful PPPs. Safety and security. Financial sustainability. Citizen – participative local government. Sufficient social capital. Transit oriented habitats. Green features and minimum population criteria.

**Letter of Undertaking from District Administration / Authority  
(on Letter Head)**

Date:

Chief General Manager (CSR / TRG.)  
NBCC Limited  
New Delhi – 110 030

Sir,

The District Administration / Authority recommend the Project/Activity to be undertaken with NBCC CSR Initiative detailed in requisition performa:

1. Sufficient Land is available for construction, at free of cost, without any hindrances and the said land shall be made available for execution of Activities.
2. Availability / providing of water, electricity, sewerage disposal / sanitation for up keeping of the Project is the responsibility of the concerned authorities.
3. We do not have funds to carry out the Activity detailed in requisition performa.
4. The concerned authority, after completion of Activity will take over and make available the required funds for its upkeep and maintenance.
5. The Project / Activity executed by NBCC, under its CSR Initiative shall not be demolished.
6. We also declare that no other Central / State PSU / any other Company / Corporation has earmarked / committed funds for the activities approved / to be executed by NBCC under its CSR Initiative.
7. NBCC has the right to promote its Brand image on the Activity and further undertake Proposal Evaluation, Monitoring, Implementation, Mid-Term Assessment and Impact Assessment, etc. for the Project / Activity.

(Signature and Seal of  
District Administration / Authority)

Phone –  
e- mail –

Encl.: Duly signed details of Projects / Activity Recommended by District Administration / Authority.

Project/Activity Recommended by District Administration / Authority

Name of State:

Sr. No.	Area			Description of Project / Activity requested under CSR	Brief Reasons for seeking the Activity	Approx. Cost / Fund required	Contact number of District Administration / Authority
	Village	Block	District				

Signature & Seal  
(District Administration / Authority)