

Nesco Limited – Corporate Social Responsibility (CSR) Policy

INTRODUCTION:

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 socially useful programmes for welfare and sustainable development of the community at large, is titled as the '**Nesco - CSR Policy**'.

This Policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of Nesco, for the benefit of different segments of the society.

At Nesco, we lay particular emphasis on enhancing quality of life for the community in which we live and work. Our CSR vision is based on embedded tenets of trust, fairness care and shall be based on below keystones:

1. Education
2. Health
3. Environment

The Company's CSR initiatives has played pivotal role in improving the lives of the communities and society at large and in and around our operations with an objective to energize, involve and enable them to realize their potential. This has also enabled us to fulfil our commitment to be a socially responsible corporate citizen.

VISION:

In alignment with *vision* of the Company, the Company, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a *Socially Responsible Corporate*, with environmental concern.

DEFINITIONS:

"Act" means the Companies Act, 2013.

"Corporate Social Responsibility (CSR)" means and includes but not limited to projects or programmes relating to activities specified in Schedule VII to the Act.

"CSR Committee" means the Corporate Responsibility Committee of the Board referred to in section 135 of the Act.

"CSR Policy" relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act.

"Board" means the Board of Directors of the Company.

"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;



Nesco Limited – Corporate Social Responsibility (CSR) Policy

- 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Company's Corporate Social Responsibility Committee shall consist of four directors in which two directors are independent director. The CSR Committee comprises of following directors:

Mr. Sumant J. Patel	Chairman and Managing Director	Chairman
Mr. Krishna S. Patel	Joint Managing Director	Member
Mr. Mahendra K. Chouhan	Independent Director	Member
Mr. Jai S. Diwanji	Independent Director	Member

The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy of the Company:

The CSR Committee shall:

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- (b) recommend the amount of expenditure to be incurred on the activities;
- (c) To monitor the CSR Policy from time to time;
- (d) To ensure that the Company spends in every financial year, 2% of the average net profits of the Company made during the 3 preceding financial years; and
- (e) Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of the Company.

CSR ACTIVITIES:

The Company's CSR activities shall primarily include one or more of the items covered under Schedule VII of the Act with special focus on the following:

- (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) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;



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Nesco Limited – Corporate Social Responsibility (CSR) Policy

FUNDING AND ALLOCATION:

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, the Company will allocate not less than 2% of its average net profits made during the three immediately preceding financial years, as its *Annual CSR Budget*.

Any unspent/unutilised CSR allocation of a particular year, will be carried forward to the following year, i.e., **the CSR budget will be non-lapsable in nature.**

If the Company fails to spend such amount, the Board shall, in its annual report made under section 134 of the Act, specify the reason for not spending the amount.

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

DISCLOSURE OF CSR POLICY

This policy shall also be uploaded on the Company's website at www.nesco.in and disclosed contents of such CSR Policy in the Company's annual report.

GENERAL:

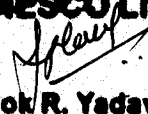
- The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.
- The Company may decide to undertake its CSR activities approved by the CSR Committee, either directly or through a registered trust or a registered society or a company having an established track record of not less than three years in undertaking similar programmes or projects and the Company shall specify the projects or programmes to be undertaken through these entities, the modalities of utilisation of funds on such projects and programmes and the monitoring and reporting mechanism.
- The Company may also collaborate with other companies for undertaking CSR projects or programmes or activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programmes in accordance with the corresponding Rules in this respect.
- The Company may build CSR capacities of its own personnel as well as those of its implementing agencies through Institutions with established track record of at least three financial years but such expenditure shall not exceed 5 per cent of total CSR expenditure of the Company in any particular financial year.
- Contribution of any amount directly or indirectly to any political party under Section 181 of the Companies Act, 2013, shall not be considered as CSR activity.
- The CSR activities do not include the activities undertaken in pursuance of normal course of business.
- The CSR projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with Section 135 of the Companies Act, 2013.



Nesco Limited – Corporate Social Responsibility (CSR) Policy

- The Board of Directors is ensuring that activities included by the Company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the Companies Act, 2013.
- Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Guidelines on the subject as may be issued by the Government, from time to time.
- The Company reserves the right to modify, cancel, add or amend this Policy as it deems fit.

For NESCO LIMITED


**(Ashok R. Yadav)
Company Secretary and
Compliance Officer**