



**protean**

*Change is growth*

# **CORPORATE SOCIAL RESPONSIBILITY POLICY**

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## 1. Policy Statement

### Background

Protean eGov Technologies Limited (*formerly known as NSDL e-Governance Infrastructure Limited*) is a socially responsible and accountable organisation. The philosophy adopted to demonstrate the organisation social responsibility is to provide support focused economic and social development through its business conduct. Protean has been in forefront of providing citizen-centric services through digital medium to provide ease of access to various services given by Protean impacting the day-to-day life of the citizens. Protean been equally sensitive towards Government Agencies and assisted them through its offerings, ease of providing their services to the citizens of the country. This has facilitated Government agencies to perform their duties with relative ease and efficiency.

Protean philosophy reflects in the CSR projects undertaken by the company. The endeavor has been also to implement CSR projects beyond the mandatory compliance requirement of CSR under the Companies Act, 2013. CSR projects have been carefully selected to support and uplift the lives of the under-privileged category of our society. Therefore, the CSR projects normally revolved around healthcare, education and skill development needs. While doing this, special consideration is given to child care and women empowerment. Our Corporate Social Responsibility projects align to the UN Sustainable Development Goals (SDGs) and aim to improve good health and provide quality education and skills building, among others.

The Companies Act, 2013 and Rules notified thereunder by the Ministry of Corporate Affairs, Government of India provide for detailed framework for CSR to be implemented by companies belonging to specified class. These provisions inter-alia require mandatory contribution of specified percentage of the profits of the company every year towards CSR, list out the activities which could be considered forming part of CSR initiatives, formation of CSR Committee by the Board and specifies the roles and responsibilities of the said CSR Committee.

## **Policy Statement**

Our CSR Policy ("the Policy") has been framed to create a positive outcome in an effective manner for the benefit of society through the Corporate Social Responsibility (CSR).

The CSR Policy shall include periodic alterations, amendments or modifications to this policy from time to time and focus on identification, prioritization, implementation, monitoring and evaluation of the CSR initiatives undertaken.

CSR Policy includes the guidance and direction given by the board of company, taking into account

- The recommendations of CSR Committee;
- Guiding principles for selection of CSR initiatives, monitoring of CSR funds utilization and measurement of the social impact caused due to execution of CSR projects ;
- Approval of the CSR annual action plan including the changes that may be necessary in the allocation of funds and selection of CSR initiatives.

## **2. CSR Policy Applicability**

This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder as amended from time to time. Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that the Company fails to meet the thresholds set out under Section 135(1) of the Act in the immediate preceding financial years, it shall not be required to comply with the provisions of this CSR Policy till such time as it again meets the criteria specified in Section 135(1) of the Act.

The initial release date for enforcement of this policy is April 1, 2014. Thereafter the amendments have been approved and made effective from the respective

approval dates.

### **3. Vision and Mission Statement**

The CSR Policy sets out Protean's commitment towards the the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking CSR initiatives focused on social welfare activities and endeavor is not to restrict this program only for the compliance requirements. The CSR Program will be intended to make positive Impact while conducting the organisation business.

### **4. CSR Committee**

4.1 The Board of Directors of the Company shall constitute a CSR Committee with at least one independent director if the CSR Liability of the Company is INR 50,00,000/- or more or the Company has a balance in its Unspent CSR Account pertaining to any Ongoing CSR Project of the Company.

4.2 The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules. Without prejudice to the generality of the foregoing, the CSR Committee shall be responsible for the following activities:

- i) Formulating and recommending CSR activities to the board of directors;
- ii) Recommend amount of expenditure;
- iii) Monitor CSR policy of the company; and
- iv) Formulate annual action plan in pursuance of the CSR policy in

accordance with the applicable law, and inclusive of the following items:

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
- The manner of execution of such projects or programmes
- The modalities of utilisation of funds and implementation schedules for the

projects or programmes

- Monitoring and reporting mechanism for the projects or programmes; and
- Details of need and impact assessment, if any, for the projects undertaken by the company.

4.3 The CSR Committee shall consist of at least three directors of the Company of which at least one will be an Independent Director. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.

4.4 The CSR Committee shall hold meetings which shall be attended by minimum two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee. If necessary CSR Committee meeting can be held virtually with the authorized / responsible officer of the organisation.

All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/ interpretation shall rest with the Board.

No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to implementation of CSR Policy and execution of CSR Projects.

## **5. CSR Activities**

The primary core focus areas:

The CSR projects undertaken by the Company are broadly covered under the following areas as permitted under Schedule VII of the Companies Act, 2013:

- Promoting healthcare including preventive healthcare;
- Promoting education including special education;
- Setting up homes and hostels for women and orphans;
- Promoting gender equality and empowering women &
- Any other initiative aligned to the permissible provisions of the law and approved by the CSR Committee / Board of the company

5.1 The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.

- a) Based on the scope of activities set out in Schedule VII mentioned above, the CSR Committee shall provide recommendations to the Board with respect to specific sCSR Activities that may be undertaken by the Company.
- b) The endeavor will be to focus on potential opportunities in Government published list of Aspirational Districts.
- c) The Board shall ensure that appropriate designated staff or personnel provide adequate assistance to the CSR Committee to enable it to make necessary recommendations to the Board.
- d) For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
- e) The details of any CSR Activities to be undertaken by the Company shall be presented to the Board by the CSR Committee along with its recommendations
- f) In case any of the CSR Activities to be undertaken are anticipated to be long term i.e. an ongoing project being of a term of 3 (three) years excluding the financial year in which it was commenced, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.
- g) Based on the recommendations of the CSR Committee, the Board shall approve the CSR activities of the Company for a given financial year.

5.2 Generally, such proposals for contribution shall be considered for which funds / contributions are not easily attracted.

5.3 The Board of Directors may decide to undertake the CSR activities through a registered Public trust or a registered society or a separate company established by the company or otherwise provided that if such trust, society or company is not established by the company, it shall have an established track record of three years in undertaking such programs or projects and the company has specified the project programs to be undertaken through these entities viz. Implementing Agencies, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

5.3 The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs.

5.4 The CSR projects or programs or activities shall be undertaken by the company only in India and keeping in consideration the aspirational districts list published by Government of India.

5.5 Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profits of the company and shall be spent on CSR activities.

5.6 The CSR amount may be spent by a Company for the creation or acquisition of a capital asset, which shall be held by:

- a Section 8 Company, or a Registered Public Trust, or registered Society with the charitable objects, having CSR registration number or
- Beneficiaries of the said CSR Project, in the form of self help groups, collectives or entities.



- A Public Authority

5.7 The company shall set-up an appropriate monitoring mechanism beyond the fund utilization by the implementation agency. The company shall focus on the Impact caused due to the CSR fund allocation and disbursement to the various implementation agency.

5.8 The company shall endeavor to also contribute its terms of suggestions / recommendations for better execution of CSR projects to the implementation agency. This shall be done by making at least one visit to each implementation agency / project site for the detailed assessment of the approach taken by them as well as to review the process maturity of the implementation agency. In addition ground level assessment of the beneficiary locations where CSR funds are utilized will be conducted by the company appointed representatives by making at least one visit to such locations.

5.9 Company may build CSR capacities of its own personnel as well as those of its Implementing agencies through Institutions with established records of accomplishment of at least three financial years but such expenditure, including expenditure on administrative overheads shall not exceed five percent of total CSR expenditure of the company or such other percentage as may be allowed under the Act in one financial year.

## **6. Support employee engagement in CSR activities**

The company shall support the voluntary engagement of its employees in CSR initiatives. The company shall encourage its employees to contribute by efforts and association in CSR projects undertaken by the organization. Company shall form a formal CSR Implementation Cell (CIC) comprising of the CSR Head, Company Secretary and the carefully selected eight to ten employees who wish to voluntarily provide assistance to monitor and report about the Impact of CSR initiatives of the company.

## **7. Identification of NGO for CSR**

NGOs to be selected on following grounds:

1. Post Due Diligence required under law
2. Technical Evaluation
3. Financial Evaluation
4. Impact evaluation
5. Comparative analysis with similar NGO acting in similar area

## **8. Reporting and Monitoring and Record keeping**

- All CSR projects or programs or activities undertaken by the company shall be subjected to periodic reporting of the progress thereof.
- Impact analysis / evaluation by an external agency of the activities for which contributions are made shall be undertaken as per the Provisions of the Companies Act 2013 and the CSR Rules 2014 each amended from time to time. Impact assessment expenditure for a financial year shall not exceed five percent of the total CSR expenditure.
- CSR Committee shall monitor and evaluate the progress of the projects on yearly basis or in such other manner as may be decided by the CSR Committee.
- The Committee and Board shall be responsible to satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it. monitor the implementation of the project with reference to the approved timelines and year-wise allocation. , to make modifications, if any, for smooth implementation of the project within the overall permissible time period. The CFO or the person responsible for financial management shall certify to the effect and the actual utilization of the funds so spend through implementing agencies.
- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy which will include list of CSR Projects approved, Manner of execution; modalities of utilization of funds and implementation

schedules; monitoring and reporting mechanism. If deemed necessary, on recommendation of CSR Committee Annual Action Plan may be altered by the Board

- To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount sanctioned towards CSR Activities to the various implementation agencies and progress on such CSR Activity should be reported by the CSR Cell to the Board as well the CSR Committee on a quarterly basis in such manner as the CSR Committee may direct. For the purposes of monitoring, the Implementation Group may visit the Implementation Agency site to review CSR project and carry out inspections as recommended by the CSR Committee from time to time.
- Upon receipt of such progress report, the CSR Committee may review and deliberate upon such reports and provide such inputs or recommendations, as it may deem necessary, to the Board.
- The CSR Committee shall maintain proper minutes of all its meetings.

## 9. Payment schedule

Protean will associate with NGOs for a limited period of time. Protean will enter into MoU with NGOs. After, the project is matured enough, Protean will exit from that project ofcourse after creating capacity building of NGOs. Following is the payment schedule.

<b>Sr. No.</b>	<b>Year of association with NGO</b>	<b>Payment schedule</b>	<b>Protean plan of action (Express intention to support for a limited period to NGO in MoU.</b>
1	Year 1	100% support	50-50% payment release with a gap of 6 months
2	Year 2	100% support	50-50% payment release with a gap of 6 months
3	Year 3	100% support	Start capacity building of NGO
4	Year 4	50% support	Create capacity building so that NGO can raise balance 50%
5	Year 5	25% support	Create capacity building so that NGO can raise balance 75%
6	Year 6	Protean will find some other NGO	Old NGO is independent enough to raise 100% fund

with some new support from other corporates cause.

This way, with limited CSR budget, Protean will be able to work with multiple NGOs for multiple causes.

#### **10. Treatment of Unspent CSR Account:**

If the Company fails to spend 2% of the Average net profit, then the following shall be the treatment of the unspent amount.

##### **i) If Unspent Amount Not Relating to an Ongoing Project:**

The Board shall, in its report, specify the reasons for not spending the amount; and unless the unspent amount relates to any ongoing project then, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

##### **ii) If Unspent Amount Relating to an Ongoing Project:**

The amount be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account (UCSRA).

##### **iii) If Fails to Spend on the Ongoing Project:**

If Company Fails to spend in 3 years, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

#### **11. Progress and status monitoring of Implementing Partners**

The Company can review the performance of Implementing Partners for CSR projects.

#### **12. CSR Synergies**

The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs.

#### **13. Dis-association with NGOs**

The Company may dis-associate with NGOs on following grounds:

- Fraud
- Mis-appropriation of company's CSR funds
- Conflict of ideologies
- Conflict in spending schedule and execution of particular CSR project
- Whistle-blow; or
- In such other grounds which the CSR Committee considers appropriate from time to time with the permission of the Board.

#### **14. Disclosure**

The Board's report of the company pertaining to a financial in which the CSR is applicable to the Company shall include a report on CSR containing particulars as specified in the Companies Act 2013 and CSR Rules framed thereunder as amended from time to time and shall also be disclosed on the website of the Company.

The details of projects approved by the Board, Impact assessment as applicable, amount available for Setoff if any , amount spent against ongoing project/other than ongoing project, administrative overhead, unspent amount against ongoing project/other than ongoing project, details regarding capital assets shall form a part of the CSR Report of the company.

#### **15. Amendment**

Any amendment to this Policy shall be subject to the prior approval of the Board upon recommendation of the CSR Committee.

#### **16. Compliance with Law**

For all such matters as may not be specifically mentioned in this Policy, the Company shall comply with the applicable provisions of the Act and the notifications, circulars, guidelines, etc. issued thereunder. Provisions contained in the Act, rules, regulations, notifications, circulars, guidelines shall prevail over anything contained in this Policy to the extent latter is contrary to the former. Words and expressions used in this Policy shall have the same meanings assigned to them in the Act and Rules thereto.

The constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations of the 'Corporate Social Responsibility Committee' shall always be in conformity with the provisions of the Act (including amendments thereof from time to time) and any amendments in the aforesaid Act, Rules, listing agreement, etc. shall be deemed to form part of this CSR Policy.

## Annexure 1

### DEFINITION AND INTERPRETATION

- **"Board"** means the Board of Directors of the Company.
- **"Company"** means Protean eGov Technologies Limited.

- **Corporate Social Responsibility**

The Company shall comply with the provisions of the Companies Act, 2013 ("Act") including any amendment or re-enactment thereof and Rules framed thereunder pertaining to Corporate Social Responsibility including projects or programs relating to activities specified in Schedule VII of the said Act as may be specified in this Policy and approved by the Board of Directors.

- **"CSR Activities"** means such programs and projects as may be approved by the Board in terms of this CSR Policy.
- **"CSR Committee"** means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.
- **"CSR Rules"** means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
- **"CSR Expenditure"** means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
- **"Director"** means a member of the Board of the Company.
- **"Implementing Agency"** means

(i) A Public Trust, or a Society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise; and/ or

(ii) A Public Trust, or a Society or a company established under section 8 of the Act with an established track record of three years in undertaking similar programs or projects;

The CSR Activities may be undertaken by the Company directly with the prior approval of the Board or through implementation agencies / entities mentioned in (i) and (ii) above.

- **"Net Profits"** means the net profit of the Company as calculated in terms of Section 198 of the Act as per its financial statement prepared in accordance with the applicable provisions of the Act.
- **"Society"** means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
- **"Trust"** means a public charitable trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.



## Annexure 2

Following CSR activities can be undertaken by the Company as mentioned in Schedule VII of the Companies Act, 2013 and in terms of the CSR Rules issued by the MCA in 2014 (including the modifications and amendments thereto), the Company will be focusing on undertaking the project /programs /activities listed below, as specified in Schedule VII to the Act excluding activities undertaken in pursuance of normal course of business of a Company

### Areas that can be considered for CSR activities

- (i) Eradicating hunger, poverty and malnutrition, “promoting health care including preventive health care” and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of 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, agroforestry, 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.
- (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 art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their

dependents;

(vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports

(viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs),

National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) Rural development projects

(xi) Slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared 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) Disaster management, including relief, rehabilitation and reconstruction activities;

(xiii) Any other activity incidental to the above activities.