

# NeoGrowth Credit Private Limited

## Corporate Social Responsibility Policy

### August 2018

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Created

Document Owner	Secretarial & Legal Department
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The provisions of Section 135 of the Companies Act, 2013 ('the Act') read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 require those companies that are falling within the purview of the said Section to undertake Corporate Social Responsibility (CSR) have to formulate a policy framework. Accordingly a policy framework for CSR is being proposed.

Version Control

Version	Date	Author	Change Description
1.0	August 2018	Secretarial & Legal	Creation

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**1. BACKGROUD FOR FORMULATING POLICY:**

The provisions of Section 135 of the Companies Act, 2013 ('the Act') read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 require those companies that are falling within the purview of the said Section to undertake Corporate Social Responsibility (CSR) activities and allocate a percentage of its profit before tax for such activities. Extract of the relevant provisions of the Act is attached at Annexure 1 to this document.

This Policy is formulated as required under the provisions of Section 135(3) of the Act. This Policy document is prepared to outline the approach to CSR, the method for selection of the projects to be supported, the manner of making contribution, the methodology for monitoring of the projects and reporting of the CSR initiatives of NeoGrowth Credit Private Limited.

NeoGrowth Credit Private Limited ('NeoGrowth' or 'Company') is registered with the Reserve Bank of India (RBI) as a Systemically Important Non- Deposit Accepting Non-Banking Financial Company (NBFC-ND-SI).

NeoGrowth aims at conducting its business in a way that the Company achieves its business goals and objectives with a due consideration of community's economic, environmental and social aspirations and therefore commits to integrate Corporate Social Responsibility ('CSR') with its business processes.

**2. ACTIVITIES THAT CAN BE UNDERTAKEN FOR CORPORATE SOCIAL RESPONSIBILITY (CSR) PROJECTS:**

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh 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 arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to 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 area development

**3. CSR COMMITTEE AND ITS COMPOSITION:**

The Board of Directors has constituted the CSR Committee consisting of four (4) Directors viz.:

- Mr. B.S. Nagesh, Chairman of the Committee ,
- Mr. Michael Fernandes, Member of the Committee;
- Mr. Prashasta Seth Member of the Committee;
- And Mr. Piyush Kumar Khaitan, Member of the Committee

The CSR Committee shall always include at least one (1) Independent Director and have total strength of at least three (3) directors. An outgoing member of the CSR Committee may be replaced by any other member of the Board.

**4. CSR COMMITTEE MEETINGS:**

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities but not less than twice in a year.

**5. ANNUAL ALLOCATION FOR CSR ACTIVITIES:**

The CSR Committee will recommend the amount of expenditure to be incurred by the Company on the CSR activities. The basis for such recommendation will be the profits of the Company and the percentage prescribed under the Act. Despite the allocation of funds to be spent as above, the Company may not spend the amount so allocated and specify the reasons for not spending such sum in the Board's report.

NeoGrowth may undertake the CSR activities either directly or participate through the two philanthropic arms over which the Company will have complete oversight.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

**6. NEOGROWTH CSR FUND:**

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- 2% of the average Net Profit made by the Company during immediately preceding three Financial Years or any such corpus reserve for such utilisation in the CSR Committee in case there is no profit during previous year;
- any income arising from corpus reserve for CSR.
- surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

**7. CRITERIA FOR SELECTION OF CSR PROJECTS:**

NeoGrowth shall support projects that the CSR Committee considers deserving keeping in mind the following factors, among others:

- The project is covered within the suggested areas in the Act or rules made thereunder;
- can be assessed on an ongoing basis; and
- is capable of creating long term impact.

**8. MODALITIES OF EXECUTION/IMPLEMENTATION PROCESS FOR CSR ACTIVITIES:**

The CSR Committee shall review the proposals presented by the CSR team and the management team for the projects to be supported, detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be allocated to each project.

CSR Committee will satisfy itself about the projects, their promoters, efficacy, implementation team, timeframe, costs etc., as well as whether it falls within the areas mentioned in the Act. Based on its deliberations, the Committee will present to the Board of Directors the projects and the amount that it recommends for support.

The Committee shall give its recommendation and approval in compliance of this Policy.

The Company may make contributions to the identified Projects directly or through Foundation and/or Charitable Trust as per the Committee's decision. The Company may also collaborate with other companies for undertaking the CSR activities subject to fulfillment of separate reporting requirements. Further, the Company may, if approved by the Board/CSR Committee, implement the CSR activities through implementing partners/executing agencies which may include NGOs having an established track record of at least 3 years in carrying out the specific activities.

NeoGrowth may also facilitate the involvement of its employees in CSR projects and events, giving them an opportunity to engage in socially meaningful activities, thus, enabling them to realize their full potential and role as socially responsible citizens.

**9. MONITORING/OVERSEERING CSR ACTIVITIES/PROJECTS:**

The CSR Committee of the Company shall be responsible for monitoring the CSR Policy from time to time.

The CSR team and the management of the Company shall submit a report periodically, giving status of the approved Projects, amounts allocated, expenditure incurred and such other details as may be required by the CSR Committee/Board of Directors of the Company.

The CSR Committee shall meet as and when required to review the progress of varied CSR projects in terms of both outcome assessment and financial monitoring. The CSR Committee shall also approve the CSR report to be included in the Directors' Report of the Company every year.

## **Annexure I**

### **Section 135 of the Companies Act, 2013 - Corporate Social Responsibility**

(1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

(2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

(3) The Corporate Social Responsibility 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; (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) The Board of every company referred to in sub-section (1) shall,— (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that 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:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.—For the purposes of this section “average net profit” shall be calculated in accordance with the provisions of section 198.

### **Revised Schedule VII to the Companies Act, 2013**

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh 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 arts and handicrafts;
  - (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
  - (vii) training to 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 area development.