



Leadership and beyond

दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड
The New India Assurance Co. Ltd

India's Premier Multinational General Insurance Company

Corporate Social Responsibility, Policy, Procedures & Guidelines

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CORPORATE SOCIAL RESPONSIBILITY POLICY, PROCEDURES & GUIDELINES

POLICY

OVERVIEW OF THE COMPANIES ACT 2013

Section 135 of The Companies Act 2013 has made CSR as a mandatory provision for prescribed companies to add a sense of responsibility and contribution among corporates. The said section has to be read along with the Rules prescribed by the Act for implementation of CSR.

Salient features of the proposed Law :

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.

Corporate Social Responsibility Committee :

Functions :

- i. Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activity or activities to be undertaken by the Company as specified in Schedule VII;
- ii. Recommend the amount of expenditure to be incurred on the activities related to CSR; and
- iii. Monitor the Corporate Social Responsibility Policy of the company from time to time.



Board of Directors

Functions :

Approve the Corporate Social Responsibility Policy for the Company after taking into account the recommendations made by the CSR Committee, 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.

Ensure that the activities as are included in the CSR Policy of the Company are undertaken by the Company and that company spends in every financial year, at least 2% of average net profits of the company made during three immediately preceding years, in pursuance of its Corporate Social Responsibility Policy.

The Board shall make every endeavor to ensure that the Company spends, in every financial year, at least 2% of average net profits of the Company made during three immediately preceding financial years, in pursuance of its CSR Policy, however 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.

VISION STATEMENT

To strive to transform India into a risk-aware society from being a risk-averse society.

MISSION

To achieve our vision by integrating social, environmental and health concerns of the Indian society into Company's overall CSR Policy and programmes.

The Company's CSR Policy would strive to achieve a balance between the expectations of the stakeholder and its social obligation as a socially responsible corporate.



THRUST AREAS

The thrust of CSR activities is on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions and upliftment of the marginalized and under-privileged sections of the society.

PROCEDURE

INTERNAL STRUCTURE

Board level committee – The Committee shall consist of at least 3 members. The Committee shall also have an Independent Director.

Management level committee – The Company shall have a Committee consisting of at least 3 General Managers.

Functions of the Committees :

Management level Committee –

The General Manager heading the Committee shall be assigned a team of officials to assist him/her.

The Committee shall

- Identify the projects for CSR activities
- Estimate the amount of expenditure needed on each of the activities.
- Oversee the implementation of CSR and Sustainability agenda of the company within the organization and also outside i.e. covering internal as well as external stakeholders.



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- Submit reports regarding the progress in the implementation of CSR and Sustainability activities to the Board level Committee on quarterly basis.
- Monitor the CSR Policy of the company and review it annually.
- Implement projects which fall within its delegated authority.

Board level Committee :

The Board level Committee shall oversee the entire process of implementation of CSR related activities through review meeting on the reports of Management level Committee, which shall be submitted to it quarterly.

The Committee shall review the CSR Policy annually.

PROJECT IDENTIFICATION

1. Adoption of villages for overall development of the village in health sector, veterinary and agriculture sector. Promotion of rural development projects, rural based sports etc.
2. Eradication of extreme hunger, malnutrition and poverty.
3. Promotion of education.
4. Promoting gender equality and empowering women.
5. Reducing child mortality and improving maternal health.
6. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases.
7. Ensuring environmental sustainability.
8. Employment enhancing vocational skills.
9. Social business project.
10. Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women.



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11. Measures for the benefit of the armed forces veterans, war widows and their dependents.
12. Protection of National Heritage Art & Culture including historical buildings.
13. Helping the physically challenged community
14. Such other matters as may be prescribed.

MONITORING, REVIEW & REPORTING :

Each activity shall be reviewed quarterly by the Management Level Committee to see that the financial inputs provided to either the executing agency or the Corporations department for a specific purpose is utilized in the best possible manner.

The quarterly report shall be submitted by the Management level Committee to the Board Level Committee.

The Board level Committee shall submit periodical reports to the Board.

IMPLEMENTING AGENCIES :

Directly by the Company

External well reputed Agencies

NGOs

GUIDELINES :

NGO SELECTION :

NGO/Organisation for executing the chosen project shall be selected through a transparent process of evaluation and shall be based on merit cum experience cum track record.

Process for selecting NGO/Organisation for extending financial support.



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NGO's affiliated to political or religious organization will not be supported by the Company.

➤ **Documents required**

- NGO Registration certificate
- Form 12AA registration under IT Act for Charitable purposes.
- Trust Deed
- 80 G of I.Tax Act
- Registration certificate under FCRA (if availing) (Foreign Contribution (Regulation) Act 1976)
- Should submit last three years audited financial reports.

➤ **Other criteria**

- Should be a registered organization.
- The organization should have been in existence at least a minimum of three years.
- It should be working in any one or more of the CSR thrust areas of the Company.
- It should not have any religious or political affiliation.
- The trustees or the board members should not have any religious or political affiliation.
- Other funding sources have to be declared.
- Social credibility of the NGO should be above par.

FINANCIALS

BUDGET

The corpus shall include the following :



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1. 2% of the average net profits made by the company during every block of three years (For the purpose of first CSR reporting the Net Profit shall mean average of the annual net profit of the preceding three financial years ending on or before 31 March 2014)
2. any income arising therefrom.
3. surplus arising out of CSR activities.

'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 viz:

1. Any profit arising from any overseas branches or branches of the company, whether operated as a separate company or otherwise.
2. 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 provision of the Companies Act 1956 (1 of 1956) shall not be required to be recalculated in accordance with the provisions of the Act:

Provided further that in case of a foreign company covered under these rules, net profit means the net profit of such company as per Profit & Loss account prepared in terms of clause (a) of sub section (1) of Section 381 read with Section 198 of the Act.

DELEGATION OF AUTHORITY :

The Board shall decide the delegation of Financial authority to various levels under its supervision.