



**POLICY**

**ON**

**CORPORATE SOCIAL RESPONSIBILITY**

*Revision No.: - 1.2*  
*Reference Number: CSR/OD/001*

[Newgen Software Technologies Ltd.](#)

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<b>Revision/Approval History</b>			
<b>Release Date</b>	<b>Revision No.</b>	<b>Changes Summary</b>	<b>Approved By</b>
18-09-2014	1.0	Formulation of CSR Policy	Board of Directors
01-11-2018	1.1	Amendment	Board of Directors
25-05-2021	1.2	Amendment	Board of Directors

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## 1. Preamble:

Pursuant to Section 135 of Companies Act, 2013 (the “**Act**”) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (the “**CSR Rules**”), and on the recommendation of the Corporate Social Responsibility Committee, the Board of Directors (the “**Board**”) of Newgen Software Technologies Limited (the “**Company**”) has approved this Policy on Corporate Social Responsibility (hereinafter referred as “**CSR Policy**” or “**Policy**”).

Corporate social responsibility (CSR), for Newgen, goes beyond charity and volunteering. CSR is an integral part of our Company culture, rooted in our values as an organization. Newgen is committed to make efforts for the nation’s social, economic, and environmental good.

Our objective is to make CSR a key business process for the sustainable development of whole communities, while conducting insightful engagement with our stakeholders. We aim to actively contribute to the holistic development of underprivileged children, specifically. Our efforts are concentrated on raising the human development index in India by enhancing children’s quality of education and life.

## 2. Mission & Vision:

**Mission:** To actively contribute to the social and economic development of the communities in which we operate resulting in building a better, sustainable way of leading life for the weaker sections of society and raise the Country’s human development index.

**Vision:** The CSR vision of the Company is to be a socially responsible Corporate Citizen.

## 3. Definitions:

Pursuant to the Act and its rules thereof, unless the context otherwise requires, the following words, expressions, and derivations there of shall have the meanings assigned to them as under:

- a) “**Administrative overheads**” means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- b) “**Corporate Social Responsibility (CSR)**” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in these rules and under this CSR Policy, but shall not include the following, namely:
  - (i) activities undertaken in pursuance of normal course of business of the Company;
  - (ii) any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
  - (iv) activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
  - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- c) **“CSR Committee”** means the Corporate Social Responsibility Committee as constituted by the Board of the Company as referred to in Section 135 of the Act.
- d) **“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.
- e) **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board of the Company based on reasonable justification.
- f) **“Public Authority”** means ‘Public Authority’ as defined in clause (h) of Section 2 of the Right to Information Act, 2005 (22 of 2005).

#### 4. Annual Action Plan:

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) the manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4 of the CSR Rules;
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the Company.
- f) other details, as may be required by the Board.
- g) other details, as may be prescribed under the Act and CSR rules time to time.

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

#### 5. CSR Expenditure:

- a) The Board of the Company 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.

- b) 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.
- c) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- d) Any surplus amount arising out of the CSR activities & programmes shall either be ploughed back into the same project or shall be transferred to the Unspent CSR Account. Such amount shall be spent in pursuance of this policy and annual action plan of the Company; or the Company shall transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- e) In case the Company spends an amount in excess of requirement provided under sub-section (5) of Section 135, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of Rule 7 of CSR Rules and the Board of the Company shall pass a resolution to that effect.
- f) The CSR amount may be spent by Company for creation or acquisition of a capital asset, (as may be necessary to achieve the objectives of the entities for whom capital assets are being acquired) which shall be held by: -
  - i. a Company established under Section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of Rule 4 of CSR Rules; or
  - ii. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - iii. public authority

## 6. Transfer of unspent CSR amount:

- a) The Company shall transfer the unspent amount that relates to any ongoing project, undertaken by the Company in pursuance of this Policy, 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, and such amount shall be spent by the Company in pursuance of its obligation towards this CSR Policy within a period of three financial years from the date of such transfer, failing which, 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.
- b) the Board of the Company shall, in its report made under clause (o) of sub-section (3) of Section 134 of the Act, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred as above, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

## 7. Impact assessment reports:

### I. Mandatory

- a) The Chairperson of the CSR Committee, if average CSR obligation stands ten crore rupees or more in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- c) Expenses related to undertaking impact assessment shall be booked towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

## **II. Voluntary**

- a) The Chairperson of the CSR Committee may decide, case to case basis, to undertake impact assessment of its CSR project(s) for evaluating the impact of CSR project, through any official of the Company or an independent agency.
- b) The impact assessment reports shall be placed before the Board for its discussion and noting.
- c) Expenses related to undertaking impact assessment may be booked, if permissible under the Act, towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year.

## **8. Selection of CSR activities & programmes:**

- a) The Chairperson of the CSR Committee shall identify CSR activities & programmes in accordance with the provisions contained in the Act and Rules in view of Newgen's vision, and with detailed assessment.
- b) The Chairperson of the CSR Committee may engage external professionals if required for the purpose of identification of CSR activities & programmes.
- c) The Company shall prefer the following areas for undertaking its CSR activities & programmes and will give preference to the local areas, areas around which the Company operates. The Company may also undertake its CSR activities in other urban, semi-urban and semi-rural locations all over India, time to time, as may be required for the benefit of the society.

- **Improving the Quality and Reach of Education:**

- a. To focus on promoting an inclusive education system for the students at government schools and include digital education, personality development and alternative learning programs to enhance the soft skills through projects that supplement and secure the future of the targeted beneficiaries.
- b. To create a special community comprising of peers of the targeted students and engage with them to improve their quality of life by undertaking participatory development activities such as behaviour change, awareness generation, advocacy etc.
- c. To include personality development and career counselling workshops for the targeted beneficiaries thus help them building self-confidence, self-esteem and enhance the personality of the children and women.

- **Enhancing Health**
  - a. To focus on promoting parental awareness on basic health, nutrition, hygiene, Fundamentals and Gender based Rights.
  - b. To support school going children with nutritious food, for their physical and psychological wellbeing.
  - c. To strengthen the distribution of mid-day meal amongst the students at government schools or any other area as deemed fit, thus ensuring improved health status post the intake of nutritious meal.
  
- **Community Environment:**
  - a. To provide support to the victims of disasters and other natural calamities like but not limited to Earthquake, cyclone, drought, and food scarcity etc. in any part of the country; and collection of clothes, food medicine, blanket or other material/ measures and distribution to the effected people and to the nearby slums below Poverty line people, as necessary, by utilizing the platform of Mahila Sabha of the Company, Club (Executives & Non-executives) and Women in Public Sector.
  
- **Others**
  - a. To Grant / donation / financial assistance / NGOs, registered Trust or the Society engaged in above activities & programmes.
  - b. To contribute to the Prime Ministers' 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 government for Socio-economic development and relief and welfare of the Schedule caste, tribes, other backward classes, minorities, and women.
  - c. Other activities as included in Schedule VII of the Act.

The CSR Committee shall consider all identified CSR activities in the form of CSR Annual Action Plan and shall recommend the same to the Board for its approval.

## 9. Implementation of CSR activities & programmes:

- a) The Chairperson of the CSR Committee shall set up a CSR Team which is responsible for the implementation of the CSR activities as per CSR Annual action plan and as per direction of such Chairperson.
- b) The Company will implement its identified CSR activities & programmes either itself or through the implementing partners who shall be:
  - i. a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company, or
  - ii. a Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
  - iii. any entity established under an Act of Parliament or a State legislature; or



- iv. a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- c) The implementing partners through which CSR activities & programmes are undertaken, shall be registered with the Central Government by filing the form CSR-1 electronically with the Registrar, and the Company shall obtain their Registration Certificate, PAN to establish their authenticity.

## 10. Monitoring & Evaluation of CSR activities & programmes

- a) The Chairperson of the CSR Committee shall monitor and evaluate the CSR activities & programmes of the Company and report to the Board of the Company on quarterly or half yearly basis.
- b) The Committee shall formulate an Annual Action Plan and report to the Board of the Company which includes the list of activities & programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act, modalities of utilisation of funds and implementation schedules for the activities & programmes and monitoring and reporting mechanism for the activities & programmes.
- c) The Chief Financial Officer of the Company shall ensure that the CSR amount is released to implementing partner/NGOs, if any, as per the MOU/agreement signed between the Company and the implementing partner/ NGOs.
- d) The Company Secretary shall finalise the quarterly or half yearly fund utilisation report and CSR Compliance Checklist, with the CSR Team. Such checklist and Report shall be placed before the board of directors of the Company in its quarterly or half yearly meeting.
- e) The CSR Team shall receive from the implementing partners duly audited Fund utilisation certificate with budget & actual expenditure along with progress report, if any, on yearly basis.
- f) The CSR Committee will obtain and place before the Board a fund utilisation certificate from the Chief Financial Officer or the person responsible for financial management that the funds so disbursed have been utilised for the purposes and in the manner as approved by the Board.
- g) In case of ongoing project, the Board will monitor the implementation of the project with reference to the approved timelines and year-wise allocation and will be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time.

## 11. Disclosures:

- a) **Annual Report on CSR:** The Company shall include in the annual report of the Company an annual report on CSR containing particulars as specified time to time under the Act and its Rules.
- b) **Unspent CSR amount:** The Company shall disclose in its Board's Report, the unspent CSR amount, as approved by the Board, along with the reasons for not spending such amount and, unless the unspent amount relates to any ongoing project referred to in

sub-section (6) of Section 135 of the Act, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- c) **Impact Assessment Report:** The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.
- d) **Display of CSR activities on the website:** The Company shall disclose the composition of the CSR Committee, CSR Policy and Projects approved by the Board on its website.

## 12. Amendment/Modification:

This policy may be revised or modified by the approval of the Board of the Company subject to the recommendation of the Corporate Social Responsibility Committee of the Company as and when deem fit.

**Priyadarshini Nigam**  
**Chairperson of CSR Committee**  
**Date: 25<sup>th</sup> May 2021**

**Diwakar Nigam**  
**Chairman & Managing Director**  
**Date: 25<sup>th</sup> May 2021**