

## **NSE Group**

### **Corporate Social Responsibility (CSR) Policy**

#### **CSR Vision and Philosophy**

NSE Group has been constantly working to improve the financial wellbeing of people at large through a committed approach to offer investment products that suits varied needs of people.

It has improved access of the financial market to people across the country, improved safety measures for investors, empowered investors through improved awareness and education on financial planning, investor protection and investment related issues. Besides this, NSE Group also has been continuously improvising on the conduct of business in a responsible manner through conservation of energy, use of renewable sources of energy, eco-friendly infrastructure etc.,

In order to strengthen its CSR initiatives, in 2012, the NSE Group CSR Focus Group was formed consisting of employees volunteering to contribute part of their time to undertake CSR activities internally. The CSR Focus Group has since organised various activities such as environment awareness building programs, exposure visits on environmental issues etc. with the help of NGO partners organising blood donation camps, promoting social entrepreneurship by facilitating sale of articles produced by different NGOs etc.

Besides, different eco-friendly activities like wind power generation, rainwater harvesting, use of solar energy, solid waste management through promoting vermicomposting out of the waste from NSE Group premises etc., have also been undertaken by the Group.

NSE is covered under the purview of Section 135 of the Companies Act 2013. Similarly, many of its subsidiaries are also covered. However, contribution to CSR by some of these Companies as required under the Section 135 will be negligible. Moreover, there could be efforts duplication if each individual Company undertakes CSR activities on its own and there would be difficulties in scaling up these activities.

Therefore, it has been decided by the Boards of the respective Companies in NSE Group that CSR efforts for the Group be undertaken commonly and the actual spend be allocated to the respective Companies in proportion to their legal obligations. Therefore, a common CSR function for NSE and its subsidiaries has been created under NSE as a group resource and the actual CSR spend is proportionately allocated to the respective Companies. However, the CSR Committees for these Companies are separate. This common CSR policy has been prepared and approved by respective CSR Committees and Boards.

NSE Group, in order to further its CSR aspiration of helping the underprivileged sections of the population in improving their quality of life is now embarking upon undertaking to reach out to them. NSE Group further understands that the economic and social well-being of the community is closely interlinked with their habitats and the environment. NSE Group therefore endeavours to have a triangulated focus to improve the quality of life of its identified beneficiaries towards creating inclusive societies, while meeting its social, economic and environmental responsibilities.

NSE Group has identified verticals of CSR focus such as Primary Education, Elder Care, Sanitation through comprehensive WASH (Water, Sanitation and Hygiene) interventions and Safe Drinking Water, Environmental Sustainability and Health & Nutrition. These areas of focus have been identified by NSE Group as issues of social concern for India. NSE Group's committed projects in these areas for the needy and underprivileged sections of our population will contribute to the nation's larger social development goals. NSE Group's CSR aspirations should help create a sustainable ecosystem that is intrinsically beneficial for creating healthy and thriving communities.

Community engagement will be conducted in an ethical manner, with great transparency, dialogue and disclosure based on the needs and aspirations of the primary beneficiaries.

Besides community engagement, NSE Group will also, as part of its CSR focus, endeavour to meet high standard of ethical business conduct, continuously adapt better governance standards, commit to fair business practices in its relationship with customers, employees and suppliers and obey rule of law.

### **Preamble**

The policy is updated basis the amendments in the Section 135 of The Companies Act notified on 22<sup>nd</sup> January 2021. NSE Group will also take into consideration any other amendment which comes into the Act during the year and the policy will be revisited as per the requirement.

### **CSR Objectives**

- i) Primary Education, ii) Elder Care, and iii) Sanitation and Safe Drinking Water iv) Health & Nutrition v) Environmental Sustainability and vi) Skill Development & Entrepreneurship defined in the Schedule VII of the Companies Act 2013, have been identified as core focus areas. The CSR objectives have been identified based on the larger mandate of the Companies Act 2013, the CSR Rules 2014 and subsequent notifications and amendments thereof, to meet NSE Group's community engagement aspirations. Projects undertaken under these verticals will not be one-time activities but will be on a project or programme mode with a timeline to achieve pre-determined goals.

### **CSR Activities**

The core areas of focus, and CSR activities are elaborated in the sections below vertical-wise.

#### **(i) Primary Education**

##### **Rationale for selecting primary Education as a core area of focus**

The Annual Status of Education Report (ASER) 2021, shows that the reading level of children in primary grades either improved or stayed steady between 2014 and 2018, but shows clear drops between 2018 and 2021, due to learning loss owing to the recent pandemic. This indicates a large task at hand especially in the rural

regions that needs amongst others, trained teachers, innovative digital interventions, focus on foundational learning etc. to implement the new curriculum at scale.

The New Education Policy-NEP (2020) focuses on pre-school education and makes it integral to the education system along with holistic development of the students. The new education policy is based on the principle that education must develop not only cognitive capacities - both the 'foundational capacities' of literacy and numeracy but also social and emotional learning, a crucial dimension in the development of a child. The new school structure by NEP2020 includes the newly added foundational stage from the age of three-eight years which includes preschool & classes 1-2. The changes also include preparatory school (classes 3-5, age 8-11 years) and middle school (classes 6-8, age 11-14 years). NEP lays out the target for inclusive education by 2040 with equitable access to the highest quality of education for all learners.

Goal: Enhance skills at the foundational, preparatory and middle school levels as envisaged in the new education policy (NEP 2020) in the areas of reading, writing, critical thinking, arithmetic and problem-solving, application skills and behavioural skills. NSE Group will contribute to the holistic development of our children which includes addressing their physical, mental and aspirational needs through supplementary and in-school programmes and create an environment for conducive learning. Capacity building and training of teachers, para-teachers and any individual who may be designated as an educator under the NEP2020 to improve the quality of teaching provided to children. Strive to enhance learning outcomes through innovative digital interventions, use of technology, training programmes, standardised assessments, contextualised teaching learning material etc.

## **(ii) Elder Care**

### **Rationale for selecting Elder Care as a core area of focus**

Elderly to constitute 20 % of the Indian population, increasing from 100 million to 323 million by 2050 (United Nations Population Fund and Help Age International, 2012). The needs and problems of the elderly vary significantly according to their age, socio-economic status, health, living status and other such background characteristics. About 64 per thousand elderly persons in rural areas and 55 per thousand elderly persons in urban areas suffer from one or more disabilities. Most common disability among the aged persons was loco motor disability as 3% of them suffer from it, next only to hearing disability (for about 1.5%) and blindness (1.7% in rural areas, and 1% in urban areas). There is lack of specialized and trained manpower with no dedicated health care infrastructure to deal with the elderly. Among the elderly, 10% suffer from impaired physical mobility and 10% are hospitalized at any given time, both proportions rising with increasing age. [Reddy PH. The health of the aged in India. Health Transit Rev. 2006;6:233–44] Over 10% of India's elderly suffers from depression and 40-50% requires psychiatric or psychological intervention at some point in their twilight years- due to ageing of the brain, socio-economic factors such as breakdown of the family support systems, and decrease in economic independence etc.

NSE Group will strive to improve the social and physical support systems available to the socially and economically challenged ageing population in India. This will create a positive change in the quality of life of the country's ageing population belonging to the poor and underprivileged sections of the society, who have been a critical and integral part of the community and family. Including and recognizing the elderly populations' aspirations and needs, post retirement is equally critical to design comprehensive and sustainable interventions allowing them to be an inclusive part of the broader community.

**Goal:** To improve the physical, social and mental well-being of underprivileged ageing population by improving access to livelihood, empowering through Elder Self-Help Groups (ESHGs), Health care interventions, Elder Enrichment Centres etc.

### **(iii) Sanitation and Safe Drinking Water.**

#### **Rationale for selecting Sanitation and Safe Drinking Water as a core area of focus**

According to the census 2011, about 72.2% of the Indian population stays in around 638,000 villages. The rural sanitation coverage in the country was as low as 1% at the beginning of the 1980s. With the launch of different programs, it has rose up to 32.7% as per census 2011. Later as per Baseline Survey, 2012-13, carried out by Ministry of Drinking Water and Sanitation through the states, only 40.35% rural households have been found to have access to toilets.

Swachha Bharat Abhiyan is a national level campaign launched in 2014 by the Hon'ble Prime Minister on Gandhi Jayanti Day to initiate the biggest ever cleanliness drive to pave access for every person to sanitation facilities including toilets, solid & liquid waste disposal systems, area cleanliness and making available safe drinking water, etc. The campaign aims to achieve total coverage by 2019 as befitting tribute to Mahatma Gandhi who said, "Sanitation is more important than independence". Phase 1 of the Swachh Bharat mission lasted till October 2019. Phase 2 will be implemented between 2020–21 and 2024-25.

The concept note issued by Ministry of Drinking Water and Sanitation says the goal is to be achieved by construction of individual, cluster and community toilets besides other things.

**Goal:** NSE Group has taken up Sanitation i.e. Water, Sanitation and Hygiene interventions and Safe drinking water as one of the focus areas under the CSR policy of NSE group. Under this, NSE Group will support sanitation projects in schools and communities, awareness building on sanitation and water, solid and liquid waste management, behaviour change communication etc.

### **(iv) Health and Nutrition**

#### **Rationale for selecting Health and Nutrition as a core area of focus**

Health is defined by the World Health Organization as a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity and positive health. This is vital for the development of human resources

and quality of life, which in turn impacts the social and economic development of the nation.

Over the last decade, despite significant progress in the health system and various disease indicators, this sector remains a critical focus area, with huge disparities between geographies that need to be addressed. The Global burden of disease survey in 2017 ranked India 145th of 195 nations, amongst one of the lowest globally, due to lack of access to and quality (HAQ) of health care services. with the public spend on the sector around 1.29% of the GDP in FY 2019 -20. The survey showed that the leading annular cause of death in India was due to non-communicable diseases (NCD) such as Ischemic heart disease (15.4 lac deaths), chronic obstructive pulmonary disease (COPD -9.6 lac), Cancer (7.8 lac), Stroke (7.3 lac). In the last decade, lifestyle linked diseases such as diabetes and hypertension have increased significantly particularly in urban areas.

Poor sanitation facilities and practices saw annular deaths due to Diarrhea at 7.2 lacs, Neo natal (4.3 lac) Tuberculosis (4.5 Lac), Lower respiratory infections (5.1 lac,) amongst others. Vector-borne diseases like malaria affect around 2.19 Cr. Indians each year. In addition, dengue, acute encephalitis syndrome (AES) and Japanese encephalitis also continue to pose a challenge to the health system.

The National Health Mission and the National Health Policy, 2017, aim to address the various issues by strengthening the role of the Government in shaping health systems in all its dimensions such as organization of healthcare services, prevention of diseases and promotion of good health through cross sectoral actions amongst others, through the national health mission (rural and urban) with a focus on quality ensuring adequate investment, awareness, access and monitoring of services.

As health is a vast subject covering various issues related to communicable, non-communicable, vector borne diseases and disorders that are addressed in various ways through promotive, protective, curative, preventive, palliative and rehabilitative services, across the life span of a person including reproductive, neo natal, child, adolescent, adult and older person, focus on urban and rural health through primary, secondary and tertiary health centres, nutrition, wellness and mental health, the NSE Group CSR initiatives in health will be broad ranging and where feasible seek to align with the priorities outlined in the National Health Policy and the National Health Mission and Sustainable Development Goal-3 which is “good health and well-being”.

**Goal:** To meet the health and nutrition issues of individuals especially those who are socially or economically disadvantaged, including children, women and older persons, so to improve the social, economic and health conditions of the people in such a manner as to optimally utilize the available resources, knowledge and technology, with a view to prevent, cure and alleviate the effect of diseases, disability and suffering of the people and where possible align to government initiatives in immunization, for the prevention and control of non -communicable diseases (NCD) and Communicable diseases such as the National programme for the Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS), blindness ((NPCB&VI), mental health (NMHP), deafness (NPPCD), Malaria, TB (NTEP), Leprosy (NLEP), vector borne diseases, end stage renal disease (ESRD), Pradhan

Mantri National Dialysis (PMND) programme, various other micronutrient and nutritional programmes etc. Efforts will be made to work closely with the primary, secondary and tertiary levels of the health care systems in both rural and urban areas to improve access and enhance and augment service quality through technology, equipment and infrastructure. Response in special scenarios such as pandemics and epidemics in light of COVID-19 will also be undertaken. The initiatives will also seek to prevent disease by education and awareness, screening, testing, early intervention, capacity building and training and by working closely with stakeholders such as the government, medical agencies and other organizations of repute.

#### **(v) Environmental Sustainability**

##### **Rationale for selecting Environmental Sustainability as a core area of focus**

In India, three out of every four rural households rely on traditional sources of energy for cooking and close to 275 million people depend on the ecosystem for day-to-day subsistence. Many of India's poorest households derive income, food, shelter and much more from forests. A global biodiversity hotspot, India is one of the top ten species diverse countries in the world. Poor sanitation facilities and untreated water have serious impact on fresh water and marine water ecosystems. The total damage due to environmental degradation amounts to Rs 3.75 trillion and the cost of health consequences from particulate pollution is estimated at 3 per cent of India's GDP. The environmental ecosystem is a fragile relationship between various elements such as air, water, soil, flora, fauna etc. Some critical issues that pose an unprecedented challenge are pollution (of soil water and air), ground water depletion, solid & liquid waste management, loss of forests with the accompanying biodiversity etc. Further, unexplained climate change leading to disasters that cause widespread damage and

In keeping with NSE Group's commitment to environmental conservation, efficient energy solutions have been adopted to reduce the carbon footprint through maximizing the use of natural resources, renewable energy, reducing, recycling and managing waste and activities linked to sensitisation, awareness and activities on environmental issues.

**Goal:** NSE Group will undertake and support various environmental protection and awareness programmes and related activities that will enable better local resource management for the underprivileged and backward sections of the population. NSE Group will work towards environmental sustainability, ecological balance, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining quality of soil, air and water etc. through interventions such as tree plantation, renewable energy and other solutions, innovations, awareness programmes, social mobilisation, environmentally sustainable behaviour change programmes, environmental issues related to agriculture, capacity building, research and advocacy measures etc.

## **(vi) Skill Development and Entrepreneurship**

### **Rationale for selecting Skill Development & Entrepreneurship as a core area of focus**

India has an unparalleled youth demographic- 65% of its population is 35 years or under and over 62% of the population is in the working age group (15-59 years). According to a World Bank report (2017), more than 12 million youth between 15 and 29 years of age are expected to enter India's labour force every year for the next two decades of which close to 3 million would be graduates and postgraduates and the balance would be below graduates who will mostly enter the unorganized sector. UNDP India Skills Report (2018) estimates that the Indian workforce will increase to approximately 600 million in year 2022 from the current 473 million of which around 90 percent would be in the unorganized sector. While this demographic dividend promises immense opportunities, it brings its own set of challenges such as equipping youth and those in the employable band with adequate, relevant, job-ready skills.

The initiatives on skill development shall be broad ranging and where feasible aligned to national goals outlined in the National Policy for Skill Development & Entrepreneurship 2015, the National Skill Development Mission and other Government schemes in short and long term skill development, apprenticeship, vocational training, up skilling, entrepreneurship etc. and contribute to the outcomes envisaged under the universal Sustainable Development Goal 8 which is livelihood opportunities.

**Goal:** To meet the critical challenge of skilling required in India, NSE Group will support various skill development programmes that will enable individuals especially semi – literates, school dropouts, non-graduates etc., to increase their employability by certain technical skills like carpentry, plumbing, masonry, electrical work, driving, cooking, tailoring, advanced agriculture, food and agro-processing etc.

## **(vii) Funding of incubators in academic institutions and other agencies**

### **Rationale for selecting funding of incubators in academic institutions and other agencies as a core focus area**

With a population of more than 1.3 billion, India faces complex challenges related to safe water, clean air, lack of good nutrition, primary education and access to healthcare amongst a host of other pressing issues. In a developing country like India, to achieve inclusive development, scientific and technological applications and innovations are the primary driver of progress, cutting across sectors as they provide quick, accessible, scalable, integrated and cost-effective solutions.

Currently, the investment in research and development in India is less than 1 per cent of its GDP, lower than most global economies. To encourage research and a deep dive into finding scalable, cost effective and technological solutions, the Government had created a comprehensive Start-up India Policy in January 2016. The Atal Innovation Mission (AIM) was launched in 2016 as well, with the aim to develop new programmes and policies for fostering innovation in different sectors

of the economy, provide platforms and collaboration opportunities for different stakeholders and create an umbrella structure to oversee the innovation & entrepreneurship ecosystem of the country and includes tinkering labs in schools, incubation centres at universities, institutions, corporates etc. Recognizing the importance of scientific research & innovation, a significant commitment has been made in 2021, to be utilized over a five-year period, by the National Research Foundation (NRF) a proposed umbrella body that is expected to fund research across a range of institutions and disciplines and discover effective local solutions to long standing social and developmental issues.

The COVID-19 pandemic has impacted indicators in health care, education as well as other developmental sectors, rolling back the needle of progress. It is therefore imperative to find solutions to issues such as learning from home for rural children or the access to low cost diagnostic tools and health services for vulnerable groups such as senior citizens at the earliest to ensure that the losses in health and learning outcomes amongst a host of other issues, can be urgently addressed.

**Goal:** To fund incubators through academic institutions of eminence, organizations or entities as may be listed or notified from time to time under Schedule VII of the Companies Act,2013, with an aim to create through research and development, digital and other scientific solutions to the problems faced within the NSE Group CSR focus area sectors especially in primary education, health care delivery, elder care, environmental issues, WASH (water sanitation and hygiene) skill development etc.

Besides creating innovative technology solutions and products, for the social or development issues in the approved CSR sectors, this would help achieve scalability which otherwise could not be accomplished, so as to reach a much larger number of beneficiaries residing in the far-flung areas, especially the aspirational districts. So as to encourage innovation, the goals would also include, the support of incubator led hackathons held through IITs etc. in order to enable bright engineers or students in research to build and provide solutions for pressing problems in the selected CSR focus areas of the NSE Group CSR policy.

#### **(viii) Disaster Relief and Rehabilitation**

From time to time various geographical areas of the country are affected by natural disasters such as Earthquakes, Floods, Landslides, Cyclones, Tsunamis, Urban Flood, Heat waves and Drought etc. as well as emergencies and calamities in urban and rural areas. Relief and rehabilitation activities will be undertaken through NGOs/ partner agencies or through contributions to Government bodies/institutions setup by the State /Central Government to undertake such relief and rehabilitation activities.

#### **(ix) Prime Minister's National Relief Fund**

India being a vast country susceptible to the vagaries of nature, various geographical areas are affected, from time to time, by natural calamities such as floods, storm, earthquake, etc. Unfortunate catastrophes such as storms in Andhra, floods in Kashmir, in Orissa, flash flood in Uttaranchal, pandemic such as COVID-19, are some of such disasters witnessed by India. Relief is granted, among other

NGOs and other funds, through Prime Minister's National Relief Fund, PM CARES Fund etc. NSE Group has taken contribution to the 'Prime Minister's National Relief Fund', PM CARES Fund and other such Funds as may be notified under Schedule VII to provide relief during disasters as one of the focus areas in such circumstances if and when need arises.

**(x) Research and Studies in areas specified in Schedule VII including promoting Education**

Research activities can be undertaken in the areas as described in Schedule VII of the Companies Act, 2013, or in the areas promoting education provided that (1) they are with an educational or research institution,(2) are not activities undertaken in pursuance of normal course of business of the Company and (3) they are in the project mode and not a 'one off activity' and do not involve the creation of an endowment chair.

**(xi) CSR Activities under NSE Group CSR Focus Group**

Even before the advent of CSR provision in the Companies Act, 2013, NSE had constituted an internal CSR Focus Group of some of its interested employees on voluntary basis. The CSR Focus Group conducts/coordinates various social activities such as Blood Donation Camps, NGO-Melas related to social entrepreneurship, education, health awareness, environmental awareness, organising awareness building programs, screening documentaries on environmental & social issues, organising guest lectures on social issues, nature awareness walk, observing of National / International Days such as Children's Day, Women's Day etc. The CSR Focus Group in coordination with NSE Foundation will continue to engage in such activities.

**Community Engagement Strategy**

NSE Group will focus on improving the lives of communities from disadvantaged socio-economic backgrounds. The geographical focus areas for undertaking CSR activities have been identified as, in and around the areas where NSE Group has establishments pursuant to the company law requirement that the company shall give preference to the local area and areas around it where it operates or underserved geographies such as backward (aspirational) districts, for spending the amount earmarked for CSR activities. The primary beneficiaries will be children, adolescents especially girls, youth and the elderly, who will benefit directly from the various interventions. The secondary beneficiaries of the interventions will be the families of the beneficiaries and the community.

**CSR Budget**

- a. The Board of the Company covered under Section 135, shall allocate in every financial year, at least two per cent (2%) of the average 'Net Profits' of the Company during the three immediately preceding financial years towards CSR activities. The average profits are to be computed in accordance with the provisions of Section 198 of the Act.
- b. It is imperative to carry out appraisal, monitoring, documentation and dissemination of CSR activity effectively in order to create the desired impact. Towards this end, the expenses on preparation of reports, documentation,

monitoring, coordination of activities, fees to external experts such as designers/ engineers/ professional consultants etc., the expenditure on social audit and for organizing dissemination activities etc. shall be allocated from the overall CSR budget and would be covered under CSR.

### **Roles and Responsibilities**

At the day-to-day administrative level, the activities would be handled by NSE Foundation with a team qualified and experienced in CSR activities, headed by a CEO. NSE Group has constituted an internal NSE Group CSR Focus Group which draws employees from various functions. The CSR Focus Group will facilitate the volunteering and employee engagement activities in selected CSR programmes. In addition, all NSE Group employees are expected to familiarize themselves with the CSR policy. NSE Group will also encourage employee engagement in the implementation of its CSR activities leveraging their expertise, time and interest.

The CSR Governance structure comprises of the Board and the CSR Committee.

### **Responsibilities of the Board of Directors of the Company:**

- Set up the CSR Committee as per the Act
- Approve the CSR Policy of the Company
- Ensure that in each financial year the Company spends the CSR budget as mandated under Section 135 of the Companies Act 2013.
- Ensure that funds disbursed towards the projects have been utilised for the purposes and in the manner as approved, and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- The Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications for the smooth implementation of the project within the overall permissible time period.
- To ensure that the CSR activities shall be undertaken by the Company as per the CSR mandate prescribed in Section 135 and the Rules thereunder and any amendments thereof, that may be made from time to time.
- The Board shall display on the website of the Company, the CSR activities, composition of CSR Committee, CSR policy and approved projects.

### **CSR Committee of the Board:**

The Board has formed the CSR Committee in accordance with the requirements of the Companies Act, 2013 and the rules made thereunder.

### **The responsibility of the CSR Committee will include:**

- Formulate and recommend the CSR Policy to the Board for approval, monitor its implementation and suggest modifications from time to time for the same.
- Formulate an Annual Action Plan in line with the CSR Policy which will include list of approved CSR projects, modalities of implementation and fund utilisation, timelines, monitoring & reporting mechanism, and details of needs & impact assessment (if applicable).
- Recommend to the Board for approval the CSR projects undertaken by NSE Foundation.

- Ratify the decisions made by the Board of NSE Foundation to ensure seamless implementation of the projects and fulfil the obligations of the NSE Group falling under the CSR mandate.
- Report to the Board on the progress of the various CSR projects undertaken by NSE Foundation or through any entity as prescribed under Section 135 of the Companies Act and CSR rules thereunder and the expenditure incurred for the same on a periodic basis.
- Establish a transparent monitoring mechanism for ensuring implementation of the CSR programme.
- The CSR Committee will meet periodically or as may be required.

The individual Group Companies covered under section 135 have adopted the CSR policy and the Group implementation strategy.

### **Project Monitoring and Evaluation Agencies**

The Group may use services of third party expert agencies, consultancy firms, academic institutions, or such other CSR advisory organisations, wherever required to guide NSE Group with the CSR policy making, gap analysis, CSR plan, community engagement strategy, project and partner evaluation and screening, implementation monitoring, measurement of results, impact assessments etc.

### **NSE Foundation**

With the rapid increase in the number of CSR projects, NSE Foundation was incorporated as a Company under Section 8 of the Companies Act, 2013 to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility policy of NSE and its Group Companies as mandated under the Companies Act, 2013. NSE Foundation has received the relevant approvals u/s 12 AA and Section 80G of the Income-tax Act, 1961.

The prescribed CSR budget will be transferred to the NSE Foundation by the respective NSE Group Companies to undertake the NSE Group CSR activities as approved and advised by the NSE Group CSR Committees and Boards.

NSE Foundation shall adopt the NSE Group CSR policy and implement the CSR activities in accordance with the broad strategic, financial, programmatic and other principles and guidelines detailed above in the CSR policy.

NSE Foundation shall present periodic programmatic and financial reports in a format as may be required or prescribed. NSE Foundation shall periodically update the CSR Committees and Board of NSE Group on the progression of various approved CSR activities undertaken by it on behalf of the NSE Group Companies. NSE Foundation shall also issue the relevant receipts under Sec 80G of the Income tax Act 1961 for any amount received towards implementation of CSR activities or any other such documents that may be required from time to time by the respective NSE Group Companies.

### **Guiding principles**

The Group in order to have a holistic approach towards CSR, shall broadly follow the below guiding principles with respect to selection, implementation and monitoring of activities. The CSR activities of the Group aspire to reach the triple

disadvantaged individuals and communities to improve their quality of life and living. The Group further understands that the economic and social well-being of the community is closely interlinked with their habitat and the environment. Further, the CSR efforts shall be centered around the below principles:

- Compliance to the Section 135 of the Companies Act, 2013 and the Rules thereunder as well as any amendment that maybe notified from time to time.
- Alignment to the NSE Group CSR Policy.
- Alignment to societal needs.

Below sub section covers the implementation plan, selection of on-ground partners and monitoring mechanism of the CSR projects.

### **CSR Implementation Plan**

To ensure the sustainability of community engagement programmes, the projects will be implemented by NSE Foundation and selected on-ground partners who will have a deep understanding of the community and the capacity to plan interventions in the approved CSR focus sectors. Employee volunteering component will be tailored into CSR programmes when required. The interventions will be undertaken in a programmatic mode and will generally have a 3-year timeline (excluding the year of approval) so as to create a sustainable impact in the lives of the beneficiaries.

In addition to the above, the Group may contribute directly to any Fund, as may be prescribed in Section 135 and Rules thereunder. The Group will not carry out any

CSR activity that is pursuant to the Company's normal course of business or those that benefit the employees of the Company and their families. Further, the Group will not contribute to political parties, religious organisations or undertake CSR activities outside the country.

### **Surplus arising out of CSR activities**

Any surplus arising out of the CSR activities shall not form part of the business profit of the Group and shall be spent in pursuance of the principles outlined in the CSR policy.

### **Unspent Amount**

Any amount of the CSR budget remaining unspent in the respective financial year shall be treated in accordance with the prescribed CSR Rules.

### **Excess Amount**

If the Company spends an amount in excess of requirement, such excess amount may be set off as per the provisions of the Act.

## **On-ground partner selection process**

While the NSE Group will have dedicated CSR personnel, the actual interventions will be conducted in a programme mode by NSE Foundation, a Section 8 Company incorporated to implement the CSR mandate of the NSE Group and the NSE Foundation partner agencies which have the requisite sectoral experience.

While engaging with the partners, due diligence and evaluation of the partner agencies' credentials will be conducted by the third-party project monitoring and evaluation agencies appointed for the purpose.

## **Proposal Evaluation**

The evaluation principles will conform to the overall mandate of Section 135, the CSR Rules and amendments as may be notified from time to time, and the NSE Group CSR policy. An evaluation of the proposal will be undertaken by a third-party agency. Specific projects will be identified through a proposal evaluation process, which includes amongst others, the merit of the deliverables, geographic presence and areas of focus.

In addition to the above, a range of criteria for evaluating CSR project proposals include:

1. Alignment to the core focus sectors identified by the CSR Committee from time to time
2. Relevance to NSE Group's aims and core values but not in pursuance of the normal course of business activities
3. Strong focus on activities that create a behaviour change through information, awareness, education and capacity building.
3. Projects that impact vulnerable individuals and communities and demonstrate measurable outputs and outcomes
4. Projects and programme partners will not have any religious or political affiliations
5. Offer opportunities for NSE Group employees to engage in the CSR programmes through volunteering activities

## **Programmatic Budgeting**

The CSR programme will be planned with adequate resource allocation for site visits by the monitoring team, needs assessment or baseline studies, required capacity building, periodic evaluations and impact assessment studies etc., structured according to the needs of each planned intervention.

## **Monitoring and evaluation of CSR initiatives**

Appropriate monitoring and evaluation frameworks will be evolved for tracking the progress and impact of the various CSR programmes in consultation with empaneled Project Monitoring and Evaluation Agencies (PMEs). Monitoring of the project includes field visits, desk review etc. Monitoring will be made on monthly,

quarterly and annual basis or as found appropriate. These internal reports will be shared with the CSR Committee as and when required in a transparent manner.

### **Documentation**

Efforts will be made to put in place an effective documentation process, for all projects and programmes. The comprehensive documentation would include – printed material, audio recordings, video recordings, need assessment, project completion report or impact assessment report documenting the key project parameters, implementation process, deliverables achieved and the suggestions / recommendations for scalability and replicability of the project may be developed wherever applicable.

### **Miscellaneous**

In case of any doubt with regard to any provision(s) of the policy and also in respect of matters not specifically covered herein, the same shall be referred to the CSR Committee of the Board of Directors. In all such matters, the interpretation & decision of the CSR Committee of the Board of Directors shall be final.

Any or all the provisions of the policy would be subject to revision/amendment of Section-135 and Rules thereunder and in accordance with any such guideline as may be issued by the Government, from time to time.

The Board may review the policy from time to time and make suitable modifications, as may be necessary.

**CSR Committee of Cogencis Information Services Limited**

<b>Sr No.</b>	<b>Name of member</b>	<b>Position</b>
1.	Mr. Srikanta Dash	Chairman
2.	Mr. Mukesh Agarwal	Member
3.	Mr. Aniruddha Chatterjee	Member