

NewSpace India Limited (NSIL)
(A Government of India Company under Department of Space)



**CORPORATE SOCIAL RESPONSIBILITY &
SUSTAINABILITY POLICY**

January 2021

ISRO HQ Campus, New BEL Road, Bangalore – 560094.

POLICY STATEMENT

NewSpace India Limited (NSIL) believes in inclusive growth and that it can sustain the business risks and progress if all the stakeholders are taken care of. Accordingly, it addresses the concerns of socio, economic and environmental well-being of the society through its Corporate Social Responsibility (CSR) initiatives.

NSIL will:

1. Allocate resources and set up a suitable mechanism for implementing the CSR & Sustainability activities which should not be less than statutory minimum prescribed in the Companies Act or any other law for the time being in force.
2. Report CSR & Sustainability activities on an annual basis in the Annual Report.
3. Implement CSR & Sustainability Projects in a socially responsible manner by recognizing the interests of all its stakeholders.
4. Instill the thrust of CSR & Sustainability concept in the organization by means of awareness and training programs.

1. Objectives:

The Objectives of the CSR projects will be as follows:

- (i) To integrate the core values of the Company with the philosophy of CSR & Sustainability.
- (ii) To carry out CSR & Sustainability activities in transparent and ethical manner.
- (iii) To Ingrain the spirit of CSR & Sustainability to the employees at all levels.

2. Scope:

The Projects/ Activities in areas or subjects, specified in Schedule VII (**Annexure – A**) of the Companies Act, 2013 or any orders / clarification issued by the Competent Authority from time to time will be taken up by the Company and any amendments made in the Companies Act, 2013 thereto will be deemed to be adopted for Project / activities approved thereafter.

The Company will integrate the CSR & Sustainability plans & strategies with the business plans and strategies.

3. Definitions:

3.1. “Corporate Social Responsibility (CSR)” means and includes but is not limited to:

- (i) Projects or programs relating to activities, areas or subject, specified in Schedule VII to the Companies Act, 2013 and changes / updations thereto; or
- (ii) Projects or programs relating to activities approved

3.2. “CSR & SD Committee” means the Corporate Social Responsibility & Sustainable Development Committee of the Board formed by Board from time to time.

3.3. “CSR & SD Policy” means this policy duly approved by Board and as amended from time to time.

3.4. “Local Area” means the State of Karnataka and States where DOS / ISRO Centre / Units where operating and have interest in the area.

4. Budget & Approval:

4.1. The budgetary allocation for CSR Projects / activities for the year will be based on the profitability of the Company. The budget allocation for the CSR Projects / activities will be minimum 2% of the Average Net Profits of the Company made

during three immediately preceding financial years. It is 2% of the actual average net profits during first three years.

- 4.2. The budget allocated for CSR Projects / activities planned for each financial year is expected to be spent within that year.
- 4.3. If the Company is unable to spend the allocated budget, the Board shall, in its Report, specify the reasons for not spending the amount.
- 4.4. Every year on approval of budgetary allocation by the Board, the amount will be transferred to a Separate Bank Account opened for spending under CSR.
- 4.5. Any amount remaining unspent relating to any project other than an ongoing project, shall be transferred to a Fund specified in Schedule VII within a period of 6 months of the expiry of the financial year.
- 4.6. Any amount remaining unspent pursuant to any ongoing project, shall be transferred within a period of 30 days from the end of the financial year to a special account to be opened 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 CSR & SD Policy, within a period of 3 financial year from the date of such transfer, failing which, the amount shall be transferred to a Fund specified in Schedule VII within a period of 30 days from the date of completion of the third financial year.
- 4.7. The Company will give preference to the local areas, for spending the amount earmarked for Corporate Social Responsibility Projects / activities.
- 4.8. Up to a maximum of 5% of the Annual CSR Budget may be utilized to build CSR Capacities of the Employees of the Company and other Administrative expenditure under the Fund.
- 4.9. The Board is the Competent Authority for approving the policy on Corporate Social Responsibility of the Company based on the recommendation of the CSR & SD Committee of the Board
- 4.10. The budget for CSR Projects / activities will be sanctioned by the Board on the recommendations of the CSR & SD Committee. However, in case of any urgent need, CMD may approve the activity/ project of each value INR 5 Lakh or less and report the same in next Board meeting.
- 4.11. Based on periodical reviews, if the CSR & SD Committee feels necessary and appropriate, the allocation made in the Annual Budget can be reappropriated among various projects/ activities , with the due approval of the Board.

5. Implementation & Review process:

- 5.1. The CSR Projects / Programs recommended by the CSR & SD Committee and approved by the Board may be taken up through a registered Trust or a registered Society or a Company established by the Company / Section 8 Companies provided that:
 - a) the external agency / the NGO selected has an established track record of three years in undertaking similar Projects / programs.
 - b) The Company should specify the CSR Projects / Programs undertaken through external agency / NGO / Registered Trust / Registered Society in its Annual Report.
- 5.2. The CSR Projects /activities will also be undertaken by the Company itself (in-house) through Units/ Centres under its Administrative Ministry excluding activities taken in pursuance of normal course of Business and this system will continue until a dedicated "Trust" is created to implement the CSR Projects / activities.
- 5.3. All the CSR Projects / activities proposed will be put up to the CSR & SD Committee of the Board for review and recommendation. The recommendation of the CSR & SD Committee, shall be put up to the Board for approval. The Board approved CSR Projects / activities will be taken up by the Company and the expenditure therein will be considered under CSR budget of the Company. The Company will publish on its website, the approved CSR & SD Policy and its CSR & SD activities etc.
- 5.4. The CSR Projects / activities that benefit only the Employees of the Company and their families will not be considered as CSR Project/ activity.
- 5.5. The surplus arising out of the CSR Projects / Programmes / activities, shall not form part of the business Profit of the Company.
- 5.6. Contribution of any amount directly or indirectly to any Political Party shall not be considered as a valid CSR activity.
- 5.7. The Company may collaborate with other Companies for undertaking Projects / Programs / activities in such a manner that the CSR & SD Committees of respective Companies are in a position to report separately on such Projects / Programmes in accordance with the CSR Rules notified under Companies Act, 2013.
- 5.8. The CSR & SD Committee of the Board will periodically submit the reports on the status of CSR & SD activities to the Board of Directors for their information, consideration and necessary directions, if any.

5.9. The Board of Directors of the Company, after taking into account the recommendations of CSR & SD Committee of the Board, approves the CSR & SD Policy for the Company and disclose contents of such Policy in its report and the same will be displayed on the Company's website.

6. Impact Assessment and Evaluation:

6.1. In order to ascertain the degree of success or failure of a completed activity/project under CSR, it may evaluate Project/ activity undertaken on random basis for the sake of objectivity and transparency.

6.2. External agencies / NGOs may be engaged from the available panels maintained by the Government Ministries / Departments, Niti Aayog, autonomous organizations, or the National / Regional CSR Hub or any other reputed sources at the discretion of the Board.

6.3. The report of the assessment shall be placed to the CSR & SD Committee and Board for their review and advice / directions, if any.

7. Others:

7.1. Expenditure on sustainability initiatives in the pursuit of sustainable development while conducting normal business activities would not constitute a part of the CSR spend

7.2. Sustainability Reporting and disclosure may be followed, wherein the Company will report its performance in economic, social and environmental areas as per globally acclaimed guidelines, Global Reporting Initiative (GRI).

Annexure – A

Activities relating to:-

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 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.
- 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.
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- 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;
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of

Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)

- Rural development projects
- 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

- Disaster management, including relief, rehabilitation and reconstruction activities

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