

STANDARD OPERATING PROCEDURES (SOP) FOR IMPLEMENTATION OF CSR PROGRAMMES IN NEW INDIA ASSURANCE

1.00: Need for putting in place a Standard Operating Procedure(SOP) for our CSR:

The Company has formulated the following Standard Operating Procedure (SOP) aligning it with the CSR Policy of the Company, as adopted by the Board. The SOP is to enable the Company to carry out the CSR activities in an effective and efficient manner.

2.00: Standard Operating Procedure (SOP):

2.01: Implementing Agencies:

The CSR activities of New India Assurance would be carried-out through 2 channels viz.

- (i) New India Assurance, CSR Department
- (ii) Outsourcing to Implementing Partners(IPs)/NGOs

2.02: Due Diligence on Selection:

- 1) CSR Department of New India Assurance shall follow due diligence in selecting IP / NGO to outsource its CSR activities. The guidelines/process of due diligence are furnished in the attachment for use of CSR department.
- 2) No donations to NGOs to support its financial strength shall be given under CSR budget.
- 3) Financing and supporting of regular and routine ongoing activities of NGOs should be avoided.
- 4) NGOs which work as aggregator of the activities of other NGOs and the NGOs working as fund raiser should not be supported under New India Assurance CSR activities.
- 5) NGOs blacklisted by any government agency like Council for Advancement of People's Action and Rural Technology (CAPART), Central Social Welfare Board (CSWB), Department of Women and Child Development, Ministry of Social Justice and Empowerment, shall not be entertained under New India Assurance CSR activities.
- 6) The budget/financial assistance sought by the NGO/organization should not be more than the total financial transactions of the NGO during the previous financial year.
- 7) CSR dept. should examine and extend the financial support through NGOs only to the projects/initiatives which are within the preview New India Assurance CSR policy.

2.03: Documentation:

1) In case of an IP/NGO approached New India Assurance with a request for financial support under CSR banner, the following information/documents shall be submitted by the IP/NGO.

a) Information on due diligence as per the format DD (attached).

b) Project proposal as per the format PP (attached).

c) Unique ID No. NGO Darpan from NITI Ayog

d) NGO Registration Certificate from Competent Authority authorized by Government.

e) Form 12AA registration granted under IT Act for charitable purposes.

f) Trust Deed or any relevant document confirming the formation/registration of NGO by Competent Authority authorized by Government.

g) 80 G of Income Tax Act

h) Registration Certificate under FCRA (if availing) (Foreign Contribution [Regulation] Act 1976)

i) Last three years audited financial reports.

2) The IP/NGO shall submit a comprehensive and detailed proposal of project in the PP format as referred as item b) of above Para for the analysis of the project and to take necessary decision.

3) A proposal received from an NGO should be analyzed thoroughly as per the process of due diligence laid down by the Company. A comprehensive and detailed Note with all supporting documents should be placed before CSR Management Committee for examination, scrutiny & recommendation/approval.

4) The NGO shall make a presentation to the CSR Committee on the CSR project to be undertaken and give all the clarifications sought during the meeting.

2.04: Pre-sanction Process:

The officials of CSR dept. &/or from the nearest RO's authorized representative should undertake pre-sanction project visit to ascertain the true picture of the project and real need of the CSR intervention as requested by the NGO/IP. The inspection report with field photos/Videos and interviews with the prospective beneficiaries should be submitted in the dept. for further course of action and for a suitable decision of competent authority on the project.

2.05: Compliance with Extant Regulations:

The NGO concerned shall obtain all the necessary statutory and regulatory approvals from concerned authorities for execution of the project and submit the attested copies of the permissions so obtained to the CSR Department for processing the proposal.

2.06: Limits, Sanction, Disbursement and post-Disbursement Process and Documentation:

- 1) As per the CSR policy any project costing up Rs. 50 Lakhs shall be placed before the CSR Management committee for the approval.
- 2) Any CSR project costing more than Rs.50 Lakhs shall be placed before the Board CSR Committee for recommendation to the Board for Approval. These projects should also be routed through the CSR Management Committee.
- 3) After receiving the approval of the project by the competent authority, CSR Dept. should obtain an undertaking from IP/NGO for effective implementation of the project.
- 4) A formal letter/ order of acceptance of the project proposed by a NGO with necessary terms and conditions along with the undertaking from IP/NGO affected in the above Para will be sent to the NGO with advice to initiate the activity under New India Assurance CSR initiative.
- 5) Funds shall be disbursed as per the detailed guidelines outlined below:
 - a) For targeted interventions a maximum project period of 3 years should be given. Administrative approval and funds should be sanctioned as per the graded milestones of the project and expenditure thereunder.
 - b) The amount sanctioned should be disbursed in suitable installments. The first installment would be released initially and the subsequent installments to be released based on the production of utilization certificate issued by the competent Authority and physical verification of activity undertaken, by authorized person of New India Assurance CSR department &/ Authorized RO based on instructions of CSR department HO.
 - c) Utilization Certificate: A statement issued giving detailed break up of expenditure incurred under respective heads of funds received from New India Assurance, duly signed by the Auditors of the NGOs or any CA firm (as the case may be).
 - d) The payment shall be remitted only after getting bank account details with required documentation, if any.
 - e) CSR department will maintain the project wise statement of account and reports and keep a separate file for each of the CSR Projects undertaken.
 - f) The NGO shall submit all the original bills in respect of all the expenses incurred for the project wherever the goods and services are procured from outsiders. No interim payment will be released without such supporting documents.
- 6) All the payments in respect of CSR activities of New India Assurance shall be effected through online transfer i.e. NEFT or RTGS only.

7) The NGO Shall submit a full project implementation report, statement of accounts and utilization certificate within a reasonable period from the date of completion of the project duly certified by the auditors of NGOs or any firm of Chartered Accountants.

- a) In addition, the NGO shall submit a quarterly project development report, till the final completion of the project.
- b) Any other report (as may be prescribed/ required by New India Assurance) along with the photos, videos etc. to give the authentic proof of execution of the CSR project on behalf of New India Assurance.

2.07: Spreading Awareness of our Responsibility:

The CSR activities of New India Assurance are not for any publicity purpose. The endeavor of the Company would be to help the various sections of the Society at large.

2.08: Power to Modify the SOP:

The power to make any modification/addition/deletion to the above SOP, if required either in whole or in part, shall rest with the Chairman-cum-Managing Director (CMD)

The SOP along with the Project Proposal (PP) and Due Diligence (DD) forms are submitted for approval.

If approved the SOP would be placed to the Board CSR Committee and Board Meeting for information.

NILANCHAL MISHRA

(CHIEF MANAGER)

RECOMMENDED FOR APPROVAL

ATUL SAHAI
(CMD)

J.K. GARG
(GENERAL MANAGER)

GOURI RAJAN
(GENERAL MANAGER)