

**IFCI VENTURE CAPITAL FUNDS LIMITED**

**DRAFT CORPORATE SOCIAL  
RESPONSIBILITY(CSR) POLICY**

**(Amended upto January, 2021)**

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## 1. INTRODUCTION

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Organizations have realized that government alone will not be able to get success in its endeavor to uplift the downtrodden of society. The concept of CSR has been looked upon as closely linked with the principle of sustainable economic development, which requires the organizations to make decisions not only based on financial factors but also on immediate and long term social & environmental consequences of their activities.

Ministry of Corporate Affairs has notified section 135 and schedule VII of Companies Act 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which came into effect from April 01, 2014.

This CSR Policy of IFCI Venture Capital Funds Limited (IFCI Venture) has been prepared pursuant to the section 135 of the Companies Act, 2013 and the rules made thereunder amended from time to time.

This document may be read with the provisions of Companies Act, 2013 and rules made thereunder, together with any subsequent amendments thereof which may be notified by MCA from time to time. This CSR policy should serve as the referral document for all CSR related activities of IFCI Venture.

## 2. DEFINITIONS:

- a) "Act" means the Companies Act, 2013
- b) "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
- c) "Annexure" means the Annexure appended to these rules;
- d) "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, but shall not include the following, namely:-

(i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical

devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

(a) such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

(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;

(v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

f) "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

g) "Net profit" means the net profit of IFCI Venture 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:
- h) 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 based on reasonable justification

Words and expressions used and not defined in this Policy but defined in the Act and rules and regulations made there under shall have the meanings respectively assigned to them in the Act and rules.

### **3. CSR VISION STATEMENT & OBJECTIVE**

#### **Vision Statement**

In alignment with the vision of the company, IFCI Venture, through its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a *Socially Responsible Corporate*, with environmental concern.

#### **Objective**

The main objectives of CSR Policy are:

- i) To directly or indirectly take up programs that benefit the communities in and around its workplace, other locations and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
- ii) To generate through its CSR initiatives, a community goodwill for IFCI Venture and help reinforce a positive & socially responsible image of IFCI Venture as a corporate entity and as a good Corporate Citizen.
- iii) Ensure commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interest of all its stakeholders.

#### 4. CSR EXPENDITURE

4.1 In line with Section 135 of the Companies Act, 2013, at least 2% of the average net profits of the Company made during the three immediately preceding financial years shall be spent on Corporate Social Responsibility. If the Company fails to spend such amount, the Board shall, in its Director's Report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

4.2 Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the company in pursuance of its CSR & Sustainability Policy, shall be transferred by the company 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 the 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.

4.3 Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

4.4 If the Company spends an amount in excess of the requirements provided, the company may set off such excess amount against the requirement to spend upto immediate succeeding three financial years subject to the conditions that-

(i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.

(ii) the Board of the company shall pass a resolution to that effect.

4.5 The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

(a) 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; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority:

4.6 Administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

4.7 The total eligible contribution, in any financial year to be spent on CSR activities may be transferred to IFCI Social Foundation, a registered trust which has completed its three years of track record September 2017 in undertaking CSR programs/ projects/ activities.

## **5. CSR IMPLEMENTATION**

5.1 The Board shall ensure that the CSR activities are undertaken by the company itself or through –

(a) 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

(b) 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

(c) any entity established under an Act of Parliament or a State legislature; or

(d) 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.

5.2 Every entity, covered under 5.1, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the requisite e- form electronically with the Registrar of Companies. ISF has been registered with MCA for undertaking CSR activities with Registration No CSR00005110.

5.3 IFCI Venture may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes.

5.4 The Board of IFCI Venture shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

5.5 In case of ongoing project, the Board of IFCI Venture shall monitor the implementation of the project with reference to the approved timelines, if any, and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period, if any.

5.6 CSR programs will be undertaken to the best extent within the defined ambit of the identified 'Thrust Areas';

5.7 The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme;

5.8 Initiatives of State Governments, District administration, local administration as well as Central Government departments/agencies, Self-help groups, etc. would be dovetailed and synergized with the initiatives taken by IFCI Venture.

5.9 On the recommendation of CSR Committee, the Board will assign the task of implementation of the CSR plan within specified budgets and time frames to such persons/bodies/trust as it may deem fit. The persons/bodies/trust to which the implementation is assigned will carry out such CSR programs as determined by the CSR committee or Board within the specified budgets and timeframes and report back to the CSR Committee/Board on the progress thereon at such frequency as CSR Committee may direct.

## **6. CSR ACTIVITY AREAS/SCOPE**

As per the Schedule VII under section 135 of the Companies Act, 2013, the following activities would be allowed as a part of CSR activities by IFCI Venture:

- i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii) 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.;
- iv) 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;
- v) 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;



- vi) 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;
- vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii) 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix) (a) 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; and
  - b) 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).
- x) Rural development projects.
- xi) 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.

- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

The above list is illustrative and not exhaustive.

CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

IFCI Venture may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years.

Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

## **7. CSR MONITORING & REPORTING**

### **7.1 Monitoring**

- a) Monitoring shall be done periodically with the help of identified key performance indicators; the periodicity being determined largely by the nature of performance indicators. Monitoring mechanisms should have periodic feedbacks with recourse to mid-course correction in implementation, whenever required.
- b) Actual disbursements shall be linked to the progress on the ground.

### **7.2 Reporting**

- a) The Board's Report of IFCI Venture under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

## **8. ROLE OF CSR COMMITTEE OF DIRECTORS, THE BOARD AND CSR EXECUTIVE COMMITTEE**

### **Role of the CSR Committee of Directors**

In pursuance to Section 135 of the Companies Act 2013, IFCI Venture is required to constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The Corporate Social Responsibility Committee shall:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of Companies Act,2013;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above;
- c) To formulate and recommend to the Board, an annual action plan in pursuance of its CSR and sustainable policy, which shall include the following:
  - i. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - ii. the manner of execution of such projects or programs as specified in the rules;

- iii. the modalities of utilisation of funds and implementation schedules for the projects or programs;
- iv. monitoring and reporting mechanism for the projects or programs.  
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.
- d) monitor the Corporate Social Responsibility Policy of the company from time to time.
- e) The CSR Activities (Proposal) as prescribed under the CSR Policy involving an amount upto Rs. 10 lakhs, shall be approved by CSR Committee of Directors and reported to the Board of Directors.
- f) The CSR Activities (Proposal) as prescribed under the CSR Policy involving an amount exceeding Rs. 10 lakhs, shall be recommended by CSR Committee of Directors and approved by the Board of Directors.
- g) Comply with the other requirements on Corporate Social Responsibility as provided under the Companies Act, 2013 and rules made thereunder, as may be amended from time to time.

### **Role of the Board**

The Board shall:

- a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for IFCI Venture 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;
- b) ensure that the activities as are included in Corporate Social Responsibility Policy of the IFCI Venture are undertaken by the company;
- c) ensure that the company spends, if applicable, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy, provided that 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.
- d) 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 of Companies Act 2013, specify the reasons for not spending the amount.

### **Role of CSR Executive Committee**

CSR Executive Committee of IFCI Venture shall be constituted in order to execute/ implement the CSR activities within specified budgets and time frames, as may be recommended by CSR Committee and approved by the Board of Directors. The CSR Executive Committee shall consist of following:-

1. Head Funds, Chairman
2. Chief Financial Officer, Member
3. Head Credit, Member
4. Company Secretary, Secretary of Committee

The CSR Executive Committee shall report to the CSR Committee of Directors in respect of all CSR activities including the expenditure incurred thereof.

### **9. DISCLOSURE**

#### **Company's Website**

The Board of Directors of IFCI Venture shall mandatorily disclose the composition of the CSR Committee, CSR Policy and Projects approved by the Board after taking into account the recommendations of CSR Committee, on the website of the Company for public access.

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN  
THE BOARD'S REPORT**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year;
  - (b) Amount unspent, if any;
  - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
3							
	<b>TOTAL</b>						

\*Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act]  (wherever applicable)
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FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES  
TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL  
YEAR COMMENCING ON OR AFTER 1<sup>ST</sup> DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.
2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

- 5.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
	<b>TOTAL</b>		

6. Average net profit of the company as per section 135(5).
7. (a) Two percent of average net profit of the company as per section 135(5)
  - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
  - (c) Amount required to be set off for the financial year,

if any

(d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	TOTAL											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	TOTAL								

- (d) Amount spent in Administrative Overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project  Completed /Ongoing.
1.								
2.								
3.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.



- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee).	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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