

**CORPORATE SOCIAL RESPONSIBILITY POLICY  
OF  
IIT MADRAS RESEARCH PARK**

**1. OBJECTIVE**

In accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, this policy on Corporate Social Responsibility of the Company has been formulated by the Corporate Social Responsibility Committee of the Company and approved vide resolution passed by the Board of Directors (“**Policy**”). This Policy shall act as a guideline for the Company for undertaking Corporate Social Responsibility (“**CSR**”) activities enumerated under Schedule VII of the Companies Act, 2013 and in particular for supporting local communities on a variety of socially desirable activities with a view to enable high impact of the same and to ensure visible and measurable outcomes of the funds deployed towards such activities.

**2. DEFINITIONS**

The following definitions are derived from the Companies (Corporate Social Responsibility Policy), Amendment Rules, 2021

“**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 as per the provisions contained in these rules, but shall not include the following, namely:-

- i. activities undertaken in pursuance of the 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 a sponsorship basis for deriving marketing benefits for its products or services;
- vi. activities carried out for the fulfilment of any other statutory obligations under any law in force in India;
- vii. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- viii. "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;
- ix. "Net profit" means the net profit of a company as per its financial statement prepared as per the applicable provisions of the Act, but shall not include the following, namely: -
  - a. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
  - b. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act;
- x. “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

**3. APPLICABILITY**

According to section 135(1), every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee.

#### **4. SCOPE**

The Policy pertains to all activities to be undertaken by the Company towards fulfilling its statutory CSR objectives.

#### **5. CSR MISSION**

IITMRP will focus its CSR efforts on the following:

- supporting startups and incubation related activities, and promoting entrepreneurship across sectors and domains
- undertaking and supporting R&D projects and programmes that promote innovation
- promoting education by providing scholarships to students from Economically Weaker Section (EWS)
- further for any other eligible CSR activities under Sec 135 read with Schedule VII of The Companies Act 2013 as applicable from time to time.

#### **6. BOARD OF DIRECTOR'S ROLE**

The Board of Directors (“**Board**”) of the Company would constitute and reconstitute the CSR Committee (“**Committee**”) as may be considered necessary, but subject to Article 4 hereunder. The following shall be the functions of the Board:

- a) the Board shall, after due consideration, approve of any changes or amendments to the Policy;
- b) disclose contents of the Policy in its report and also place it on the Company's website;
- c) approve the projects and allocation of funds under the Policy;
- d) ensure that the activities as are included in the Policy undertaken by the Company;
- e) ensure that the Company spends, in every financial year, at least 2% (two per cent) of the average net profits of the Company made during the 3 (three) immediately preceding financial years, in pursuance of its Policy;
- f) ensure that the Company gives preference to the local area and areas around it where it operates, for spending the amount earmarked for the activities under this Policy;
- g) delegate the powers to the officials of the Company for timely compliance with the applicable laws and rules; and
- h) if the Company fails to spend the amount earmarked for the activities specified under this Policy, the Board shall, in its report made under the relevant provisions of the Companies Act, 2013, specify the reasons for not spending the amount.

#### **7. CSR COMMITTEE'S ROLE [Rule 5 of Companies (CSR) Rules, 2014]**

In compliance with the requirements of the Companies Act, 2013 and the Rules made there under, the Company has constituted a CSR Committee (the “**Committee**”).

The Committee shall consist of 3 (three) or more Directors of which, at least 1 (one) shall be an Independent Director. The functions of the Committee shall be as follows:

- a) recommend any amendment to the Policy to the Board, which shall indicate activities that are in compliance with Companies Act, 2013 and the Rules made there under;
- b) recommend projects to be undertaken as well as allocation of funds to the Board;
- c) recommend the amount of expenditure to be incurred on the activities referred to in this Policy;

- d) monitor the implementation of the Policy from time to time and set up a transparent monitoring mechanism in relation to the same;
- e) conduct an impact analysis once in two years and report the same to the Board;
- f) submit an annual report to the Board.

The Committees/ Boards of Group companies of the Company may avail of assistance from individuals/ organizations, as they may consider necessary and appropriate, for the above purposes and also may, in due course, install a regular structure/ system for project/ programme identification, disbursement of funds and monitoring, including looking into the desirability and feasibility of setting up of IITMRP Foundation by way of a registered trust or a registered society or a charitable company or otherwise for this purpose.

## **8. CSR EXPENDITURE [Rule 7 of Companies (CSR) Rules, 2014]**

The Company shall spend at least 2% of average net profits earned during every block of three years, on activities permissible under the Companies Act, 2013 pursuant to the Policy. The term “average net profit” shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

The Board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the financial year.

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 six months of the expiry of the financial year.

### **• EXCESS SPENT**

Where a company spends an amount above requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under subsection (5) of section 135 up to 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, in pursuance of sub-rule (2) of this rule.

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

CSR expenditure shall include all expenditure incurred by the Company including contribution to corpus for projects or programmes relating CSR activities approved by the Board on the recommendation of the Committee, in accordance with this Policy as well as the Companies Act, 2013 but shall not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

The CSR projects or programmes or activities undertaken in India only shall amount to CSR expenditure.

### **• UNSPENT AMOUNT**

The amount available for an ongoing project will be deposited in an account opened with the Scheduled Bank within a period of thirty 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 the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer.

The amount unspent for the approved project will be transferred within a period of six months of the expiry of the financial year to any fund included in schedule VII of the Act.”

## **9. IMPLEMENTATION [Rule 4 of Companies (CSR) Rules, 2014]**

The Board would specify the activities, fund allocation for such activities and monitoring and reporting mechanism.

The Company shall obtain the 'CSR registration number' from the identified third party to engage the CSR activities on behalf of the Company.

The CSR activities will be undertaken in areas identified by the Committee in compliance with the Companies Act, 2013 and with the approval and in accordance with the Policy and processes laid down by the Board in this regard.

This Policy may also be implemented through contributions to not-for-profit organizations (that are deemed eligible as per Schedule VII of the Act) for approved CSR projects/ programmes that the Board may decide to finance within the CSR expenditure. Such entities and projects shall be supported after ascertaining the credibility of the agency and its track record in implementing projects.

The CSR expenditure will include all expenditures, either in cash or kind, direct and indirect, incurred by the Company on CSR Programmes undertaken per the approved CSR activities. Moreover, any surplus arising from any CSR Programmes shall be used only for CSR and will be carried forward to next year's spending.

Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.

The Company may collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the Committees of respective companies are in a position to report separately on such projects or programmes in accordance with the Companies Act, 2013.

The CSR projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.

Contribution of any amount directly or indirectly to any political party under the provisions of the Companies Act, 2013 shall not be considered as CSR activity.

## **10. MONITORING**

The Committee shall ensure a transparent monitoring mechanism for the implementation of the CSR activities undertaken by the Company.

The Committee and the Board shall review the progress of CSR activities at least once a year.

## **11. CSR REPORTING ([Rule 8 of Companies (CSR) Rules, 2014])**

- 1) The Board's Report of a company covered 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.
- 2) In case of a foreign company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

- 3)
- a) Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their 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) A Company undertaking impact assessment may book the expenditure 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.

## **12. DISCLOSURE:**

Company shall include in its Annual Report, the following information:

- a) An overview of the CSR activities;
- b) The composition of the Committee;
- c) Average net profit for the last three financial years;
- d) Prescribed expenditure for CSR activities;
- e) Details of the amount spent during the financial year including total amount to be spent for the financial year, amount unspent if any, manner in which the amount spent during the financial year in the prescribed format;'
- f) Details of CSR amount spent against ongoing projects for the financial year:
- g) Details of CSR amount spent against other than ongoing projects for the financial year:
- h) In the event that the requisite sum (at least 2% of the Company's average net profits made during every block of three years, on activities permissible under the Companies Act, 2013 in pursuance of the Company's Policy) is not spent in any given year, the reasons for the same shall be specified in the Board's Report;
- i) Responsibility statement of the Committee that the implementation and monitoring of the Policy is in compliance with the objectives of the Policy.

The above information shall also be displayed on the Company's website.

\*\*\*\*\*