



IDBI ASSET MANAGEMENT LIMITED
CIN: U65100MH2010PLC199319

CORPORATE SOCIAL RESPONSIBILITY POLICY

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Note:	This Policy is prepared keeping in mind the industry practice and is in line with the CSR Policy of IDBI Bank Limited and Companies Act, 2013 and Rules. The manual shall be reviewed and updated as and when required as per the extant provisions of the Companies Act, 2013 and Rule made thereunder.



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IDBI ASSET MANAGEMENT LIMITED (IDBI AMC)
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. INTRODUCTION

IDBI Asset Management Limited (IDBI AMC) is a subsidiary of IDBI Bank Limited. As a part of the IDBI Group, it is our endeavor to follow the footsteps of our parent company and work in harmonization with the IDBI Bank and contribute towards CSR activities for the society at large. Accordingly, IDBI AMC CSR Policy is driven by intent to make a material, visible and lasting difference to the lives of disadvantaged sections of the society and a sustained positive contribution to the welfare of society at large through a dedicated CSR budget carved out of profits for assorted but deserving CSR initiatives on Pan-India basis.

The IDBI AMC CSR policy has been prepared in line with the Section 135 of the Companies Act, 2013 ("the Act") and amendments thereto from time to time and would include the activities as covered under the Schedule VII of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

2. CSR OBJECTIVES

- 2.1.** As per the Act and the accompanying operational guidelines, Corporate Social Responsibility has been explained as "*a way of conducting business by which corporate entities visibly contribute to the social good and use CSR to integrate economic environmental and social objectives with the company's operation and growth*". IDBI AMC being a subsidiary of IDBI Bank Limited would like to ensure that the Company's CSR activities are not performed in silos and accordingly that its CSR activities are skillfully and inextricably woven into the fabric of the Bank's CSR activities.
- 2.2.** CSR projects are an important source of innovation and a good way of engaging employees. The IDBI AMC CSR policy is designed to focus on holistic development of target communities, including employees and endeavor to create long-term social and economic value for the organization and society.
- 2.3.** In pursuance of the aforesaid key objectives, the Company will address a slew of associated objectives in the conduct of its CSR intervention as under: -
- Act as a good corporate citizen by making a sustained positive contribution to the welfare of society at large;
 - Identify gaps and extent need based contribution for the betterment of the society, particularly its disadvantaged sections;
 - Contribute for the sustainable and holistic development of the underserved



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communities through various programmers having multi-dimensional impact; and

- d. Generate community goodwill by making proactive interventions that will create an enduring image of the Company as a socially responsible entity.

3. Role of the Board

The role of the Board of IDBI AMC in CSR will be to:

- a) Constitute a CSR Committee of the Board [CSRCB], including at least One Independent Director.
- b) Approve the CSR Policy of the IDBI AMC, containing the guiding principles for selection, implementation and monitoring as well as formulation of annual action plan for the CSR activities of the IDBI AMC, after considering the recommendations given by the CSRCB.
- c) Ensure that the IDBI AMC spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of the IDBI AMC's CSR Policy.
- d) Ensure that the funds disbursed for the CSR have been utilized for the purposes and in the manner as approved by the Board.
- e) The administrative overheads shall not exceed 5% of the total CSR expenditure of IDBI AMC for the financial year.
- f) The Directors Report of the IDBI AMC shall provide the disclosures as provided under the Act and the Rules as amended from time to time.
- g) The IDBI AMC discloses on its website:
 - The composition of the CSR Committee of the Board
 - The CSR Policy of the AMC
 - CSR projects approved by the Board.

4. Role of the CSRCB

The CSRCB constituted by the IDBI AMC Board shall have the following terms of reference:

- a) To formulate, review and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company
- b) To review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) To monitor the CSR Policy implementation of the Company from time to time;
- d) To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company;

- e) Any other matter as the CSRCB may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

4. INTERNAL COMMITTEE for CSR (ICC)

For planning, implementation, monitoring & reporting of the Company's CSR Policy and its objectives, an Internal Committee for CSR (ICC) comprising the Managing Director & CEO, Chief Financial Officer and Chief Operating Officer and Head- HR as nominated by the Board of Directors in its meeting held on March 11, 2020 is formed. The ICC will run the Company's CSR policy in accordance with the set objectives & focus areas. The Head – HR will be the nodal officer for all activities.

The ICC is empowered to take decisions with respect to the CSR Contributions to be made by the Company. The ICC is also authorized to invite any other official to take part in its proceedings as may be required from time to time. The ICC will oversee the CSR activities of the Company during the year. The ICC may invite applications from the agency/ies for the CSR contributions and select any agency/ies for carrying out CSR activities of the Company or it may carry out the CSR activity independently for IDBI AMC.

The ICC shall submit a report on the CSR activities undertaken by the Company, amount spent on the CSR activities, any amount remaining unspent with reasons for the same, to the CSR committee on an annual basis.

5. CSR POLICY

5.1 Policy

IDBI AMC has adopted activities spelt out under Schedule VII of the Act and Rules as amended from time to time.

5.2 Nodal Officer

The Head of Human Resources will act as the nodal officer for the CSR activities of the Company.

5.3 Involvement of other Agencies

In order to implement the approved CSR projects, IDBI AMC may work closely with the IDBI Bank and/or may involve specialized agencies, which include NGOs, Trusts, Self-Help Groups, Government/Semi-Government/ autonomous



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organizations, Educational institutions, Professional Consultancy Organizations, Registered Voluntary Organization or other appropriate agency/ authorities.

5.4 Other

The time-period/ duration over which a particular program will be spread and shall depend on its nature, extent of coverage and the intended impact of the program, which will be assessed in the beginning.

6. ANNUAL BUDGET FOR UNDERTAKING COMPANY'S CSR ACTIVITIES

6.1 Budget

As set out in the Act, IDBI AMC shall allocate a budget for CSR initiatives for each financial year equivalent to 2% of its average net profits (before tax as per the provisions of Section 135 of the Act) made during the last three financial years.

The Company may, with the approval of the CSRCB constituted in this regard and of the Board, explore making a voluntary contribution in the CSR activities of IDBI Bank or any of the group Companies subject to necessary due diligence as may be required.

6.2 CSR Expenditure

Any unspent amount of the CSR activity shall be dealt with in accordance with the Act and Rules as amended from time to time.

6.3 Incidental Expenses

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 which are not part of CSR expenditure, as per the Act and Rules as amended from time to time made thereunder, shall not be considered in CSR budget.

6.4 The surplus arising out of the Company's CSR projects or programs or activities shall not form part of the business profit of the Company and will be treated in accordance with the Act and Rules as amended from time to time.

7 IMPLEMENTATION PROCESS

7.1 The process of identification of CSR programs shall involve the following steps: -

- a) Need-based identification studies to be carried out internally by the ICC on receipt of proposal/ requests from NGOs, Trusts, State/ District Administration or Local Authorities, other agencies, etc.
- b) The project proposal should fall under the realm of CSR policy indicating detailed timelines, expenditure break-up and other such details to enhance transparency.
- c) A visit may be undertaken either by the nodal CSR officer or any other senior official from IDBI AMC to correctly assess the need and extent of intervention.

Wherever required the above process may be carried out in association with the IDBI Bank.

7.2 Approach for implementing the projects: -

The Company shall follow a project/ activity based accountability approach, setting clear milestones/ objectives to emphasize its stress on long term sustainability. The CSR plans shall be distinguished as follows: -

a.	Short Term	Duration up to 1 year
b.	Medium Term	Duration of 1 year to 3 years
c.	Long Term	Duration of 3 years and above

7.3 Engaging Outside Agencies/ Partners

IDBI AMC may involve outside agencies, for implementation of CSR programs in accordance with the Act and Rules as amended from time to time.

7.4 Criteria for identifying the Executing Agencies/ Partners

In case IDBI AMC engages outside agencies/ partners for executing CSR projects activities, the following criteria shall be ensured, along with the criteria as provided under Act and Rules as amended from time to time made thereunder: -

- a) The Agency/ Organization should have a permanent office/ address in India and basic infrastructure of the Agency/ Organization should be in place. The Agency/ Organization should be in existence for at least three completed financial years;
- b) The Agency/ Organization should possess a valid Income-Tax exemption certificate, if applicable;
- c) The Agency/ Organization must have a proven track record in the proposed generic Area and deeper community engagement;
- d) The Agency/ Organization should preferably have accreditation with and/ or recognition from governments, local administration and international bodies; and
- e) Any other criteria as may be stipulated by IDBI AMC from time to time.

After conducting the due-diligence exercised by the authorized representative of the IDBI AMC, if any Agency is recommended for partnership for executing the CSR project/ activities, IDBI AMC shall enter into Agreement/ MOU with the said agency, in case of smaller engagements, it may be way of exchange of letters. In case the project is carried out in association with IDBI Bank, the due-diligence carried out by IDBI Bank shall be deemed to be due-diligence for the purpose of this sub-clause.

8. MONITORING AND ASSESMENT

8.1 Release of funds to external Agencies/ Organizations

8.1.1 The release of funds shall be linked to progress of the project and as per the deliverables matrix, mentioned in the MOU/ sanction letter. After release of the first installment for initiation of the work, further release of funds shall be based on projected progress of the work plan and production of utilization certificate for the previous disbursement(s) by the respective agency.

8.1.2 At the end of the program, utilization certificate for the entire funds disbursed shall be submitted to IDBI AMC, detailing the total expenditure on various project components and duly certified by the Statutory Auditors of the Agency/ competent authority in the organization to which sanction was made.

8.2 Monitoring, Assessment & Reporting Mechanism

8.2.1 The nodal officer shall institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by IDBI AMC. A time frame shall be given for all CSR projects/ activities for their timely completion with suitable milestones. The Company shall monitor the project's progress (including impact assessment/ evaluation) either directly or through professional institutions/ independent research institutions/ other outside agencies.

8.2.2 IDBI AMC shall reserve the right to visit the activity centers/ premises at a mutually convenient time.

9 REPORTING OF CSR INITIATIVES

9.1 A progress report on the various CSR initiatives taken up by the IDBI AMC shall be submitted periodically (half yearly) to the CSRCB for consideration.

10. GENERAL

10.1 In case of any clarification with regard to any provision of the policy and also in respect of matters not specifically covered herein, a reference shall be made to the Nodal CSR Officer. In all such matters, the decision of the Chairperson of the CSRCB or such person as the CSRCB may delegate shall be final.

10.2 However, the same would be in accordance with revisions/ modifications in the statute, rules and guidelines issued by the Government, from time to time.

10.3 IDBI AMC reserves the right to modify, cancel, add or amend all/ any of the clause(s) of this Policy, in accordance with the Act and Rules as amended from time to time.

11 REVIEW OF THE POLICY

IDBI AMC CSR Policy would be reviewed after every three years or earlier, as may be necessary based on experience, statutory requirements and if warranted by changes in Government guidelines issued from time to time or provisions of the Act and Rules as amended from time to time.
