



## INDIAN SCHOOL OF BUSINESS

### CORPORATE SOCIAL RESPONSIBILITY POLICY

#### 1. Objectives of the Policy:

This Policy shall provide guidelines for the expenditure to be incurred by Indian School of Business (ISB) on its CSR activities to be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as Regulations') as may be applicable and as amended from time to time. The Policy shall, inter-alia, provide for the following:

- a) Establishing guidelines for compliance with the provisions of Regulations to apply the required percentage of ISB's annual surplus for approved social projects or beyond.
- b) Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.

#### 2. Definitions:

In this Policy unless the context otherwise requires:

- a) "Act" means the Companies Act, 2013.
- b) "Annexure" means the Annexure appended to these rules.
- c) "Corporate Social Responsibility (CSR)" means and includes but is not limited to  
(i) Projects or programs relating to activities specified in Schedule VII to the Act or  
(ii) Projects or programs relating to activities undertaken by the Board of Directors of ISB in pursuance of recommendations of the CSR Committee of the Board as per the CSR Policy of ISB subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- d) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- e) "CSR Policy" relates to the activities to be undertaken by ISB as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.
- f) "Surplus" means the net surplus of ISB as per its financial statements prepared in accordance with the applicable provisions of the Act, provided that net surplus in respect of a financial year for which the relevant financial words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

### **3. CSR Activities:**

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that impact the society. Amongst the various initiatives notified under the regulations, ISB has adopted following initiatives as the areas of focus in alignment with its main objectives of Education, Research and general public welfare.

- a) Promoting education, including special education, especially among children, women, elderly & the differently abled, & livelihood enhancement projects.
- b) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water.
- c) Providing employment enhancing vocational skills.
- d) Promoting gender equality & empowering women.
- e) Contributions of funds provided to technology incubators located within academic institutions, which are approved by the Central Government.
- f) Promoting health care, including preventive health care and sanitation and making available safe drinking water.

The CSR committee will identify thrust areas on a sustainable basis for a period of 5-7 years within the above listed CSR activities, to have a focused approach and making impact in the identified areas.

### **4. The Geographic reach:**

The Act provides that ISB shall give preference to the local area and areas around it where it operates for spending the amount earmarked for Corporate Social Responsibility. ISB will thus give preference to conducting CSR activities in the states of Telangana and Punjab. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

### **5. Annual spends/Allocation of Funds:**

ISB would spend not less than 2% of the average Surplus of ISB made during the three immediately preceding financial years. Subject to compliance with the Regulations, the CSR committee may recommend expenditure in excess of mandatory funds available, to be recouped out of Surpluses of subsequent years.

### **6. CSR Committee of Board**

The Board of Directors of ISB, shall appoint a CSR Committee. The Committee shall meet at least twice in a year to discuss and review the CSR activities and policy. The quorum shall be

two members for the proceedings to take place. The CFO shall act as the Convenor of the Board CSR Committee.

#### **7. CSR Committee of the School**

In addition to the Board CSR committee, the school would set up a school level CSR Committee comprising of following.

1. Dean – Ex-officio member and Chair of the Committee
2. CFO – Ex-officio member and convenor of the Committee
3. Head of Advancement & External Relations – Member
4. Two Faculty Members to be nominated by Dean
5. One Woman representative to be nominated by Dean

Except for ex- officio members, the term of the CSR Committee will be 3 years.

The school CSR committee will work within the guidelines framed by the Board CSR committee and will act as a nodal agency to implement the CSR activities as approved by Board CSR committee.

#### **8. Scope And functions of CSR Committee:**

The Board CSR committee will recommend a formal CSR Policy (This document) to the board based on recommendation of School CSR committee, and will recommend, the particular CSR activities, set forth a yearly budget, describe how ISB will implement the project, and establish a transparent means to monitor progress.

#### **9. Administration of CSR Projects:**

ISB can meet its CSR obligations by funnelling its activities on its own or through a third party, such as a society, trust, foundation or Section 8 company (i.e., a company with charitable purposes). ISB may also collaborate and pool their resources, with other Companies for the achievement of objectives under the regulations.

CSR Committee of the school would invite proposals/ Implementing agency for CSR activities within the ambit of the CSR policy, rule and regulations and select the deserving projects to be included in the school CSR expenditure and recommend the same to the Board CSR Committee.

In terms of the provisions of Rule 5(2) of the amended CSR Rules, the Board CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy which shall specifically include:

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII
- b) the manner of execution of such projects or programmes.
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes and
- d) monitoring and reporting mechanism for the projects or programmes.

It is further provided that the 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.

#### **10. Implementation, Monitoring and Reporting**

The CSR spend should be project based and for every project, time frame & periodic milestones should be finalized at the outset. Project activities identified under CSR are to be reviewed and the progress shall be monitored by School CSR committee every quarter and reported to the CSR committee at the meetings. If required, the Dean, in consultation with School CSR Committee will appoint a nodal person for implementation of CSR project.

The Board's Report of the company for any financial year shall include an annual report on CSR, containing particulars as specified from time to time.

#### **11. Funding:**

As per the applicable regulations, ISB shall set aside, for annual CSR activities, an amount equal to (but not limited to) 2% of the average Surpluses during the three immediately preceding financial years. Any unutilized CSR amount of a particular year shall be transferred to a separate bank account, or a fund specified in Schedule VII of the Companies Act. The tax treatment of CSR spent will be in accordance with the Income Tax Act, 1961 as may be notified by the central board of Direct taxes.

Any amount spent in excess of the requirement provided under section 135 (2% of average surplus during the three immediately preceding financial years) can be carried forward and may be set off against the requirement to spend for the next 3 years subject to approval of Board of Directors.

#### **12. Budget:**

The School CSR Committee shall submit to the Board CSR Committee a budget for CSR activities based on the amount available for spending. The Board CSR Committee shall review the same and recommend approval by the Board with or without modification. The Board CSR Committee is at liberty to instruct the school CSR committee to revise and resubmit the plans as may be required. The details of budget and actual expenditure shall be reported to the Board and the same shall be included in the Directors' report every year.

#### **13. Amendments to the policy:**

The Board CSR committee can amend the CSR policy as and when deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time. Any amendment to the policy shall be placed before the Board for ratification.