Corporate Social Responsibility Policy

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Prepared by	Compliance Department
Reviewed by	Chief Human Resource Officer Deputy Chief Financial Officer Company Secretary & Compliance Officer
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Approved by	Board of Directors
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CONTENTS

1. INTRODUCTION

Pursuant to the Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014 and Schedule VII, including any subsequent amendments, modifications, or additions thereto ("Companies Act, 2013"), every company having:

a. a Net Worth of Rs. 500 crores or more; or
b. a turnover of Rs. 1000 crores or more; or
c. A Net Profit of Rs. 5 crores or more during the immediately preceding financial year.

Is required to spend, in every financial year at least 2% of its average net profits of immediately three preceding financial years towards Corporate Social Responsibility ("CSR") activities in pursuance of its Corporate Social Responsibility Policy.

Further, above mentioned provisions mandate to formulate and adopt a Board approved Corporate Social Responsibility ("CSR") Policy.

The net profit of India Mortgage Guarantee Corporation Private Limited ("the Company" or "IMGC") exceeded Rs. 5 crores during the FY 2025-26. Accordingly, the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder have become applicable to the Company.

This Policy aims to lay down norms to enable the Company to contribute to the society through the activities it envisages from time to time. The objective of this Policy is not only to ensure compliance with legal and regulatory requirements but also to pursue growth that is both sustainable and inclusive aligning with stakeholder interests while contributing positively to society.

2. DEFINITIONS

- "**Act**" means the Companies Act, 2013 along with Rules thereunder as amended from time to time.
- "**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;
- "**Applicable Laws**" means the RBI Directions, the Companies Act, 2013 and the rules/regulations issued thereunder, as amended from time to time or any other law applicable on the Company.
- "**Board**" means Board of Directors of the Company
- "**Company**" means India Mortgage Guarantee Corporation Private Limited (IMGC)
- "**Corporate Social Responsibility (CSR)**" means the activities undertaken by a Company in pursuant to Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014 and Schedule VII, including any subsequent amendments, modifications, or additions thereto, 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 organisations 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 (29 of 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;

- "**Directors**" means Directors on the Board of the Company.
- "**Net profit**" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Companies 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: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;
- "**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.
- "**Zero coupon zero principal instrument**" means an instrument declared as a security that is issued by a Not-for-Profit Organization registered with the Social Stock Exchange segment of a recognised Stock Exchange in accordance with the regulations made by the Securities and Exchange Board of India.

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

3. ROLE OF BOARD OF DIRECTORS

(a) The Board of Directors of IMGC will consider, review and approve the Corporate Social Responsibility Policy for the Company and disclose contents of such Policy in its Board Report, if any, in such manner as prescribed in Annexure-1.

(b) The Board of a Company 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.

(c) Approve the annual action plan of CSR as per provisions of the Companies Act including Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. Further, the Board may alter the said action plan at any time during the financial year, as may deem fit, based on the reasonable justification to that effect.

(d) The Board shall ensure that the CSR activities and CSR expenditure are undertaken as per Sec 135 read with relevant rules as amended from time to time.

(e) The Board shall monitor the implementation of the ongoing project with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.

(f) The Board of Directors are required to disclose the reasons if the amount allocated for CSR activities are not spent during a financial year in the Board's Report.

(g) Any other responsibilities as specified under the Applicable Laws, from time to time.

4. CSR COMMITTEE

IMGC is not required to constitute a Corporate Social Responsibility (CSR) Committee of the Board, as the Company CSR obligation does not exceed Rs. 50 lakhs in a Financial Year. Accordingly, the responsibilities related to CSR obligations shall be discharged by the Board of Directors. Once the CSR obligation exceeds Rs. 50 lakhs, the Board of Directors shall constitute CSR Committee as per Applicable Laws.

5. CSR ACTIVITIES/PROGRAMMES

Activities to be undertaken by the CSR committee (as applicable) or Board as per Schedule VII of Companies Act, 2013 as amended from time to time. Below mentioned is the illustrative list of Schedule VII:

(a) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

(b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(c) 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.

(d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga

(e) 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 arts and handicrafts.

(f) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows.

(g) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.

(h) 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.

(i) Contributions 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.

(j) 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).

(k) Rural development projects.

(l) Slum area development.

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

(n) Subscription to zero coupon zero principal instruments on Social Stock Exchange.

6. IMPLEMENTATION OF CSR

The Company shall strive to implement the CSR activities on its own or through partnership with other agencies in accordance with the guidelines prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board shall ensure that the CSR activities are undertaken by the company itself or through: a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A/12AB and approved under section 80 G of the Income Tax Act, 1961, as amended from time to time, established by the company, either singly or along with any other company; or

- 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
- any entity established under an Act of Parliament or a State legislature; or
- a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A/12AB and approved under section 80 G of the Income Tax Act, 1961, as amended from time to time and having an established track record of at least three years in undertaking similar activities.
- Prior to engagement, the Company shall ensure that the implementing agency possesses a valid CSR Registration Number (Form CSR-1), where applicable, and satisfies eligibility criteria prescribed under the CSR Rules.

***Explanation**. - For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.*

7. CSR EXPENDITURE

The Board shall ensure that the Company spends, in every financial year, at least two per cent of the “Average Net Profits” of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

(a) The Company will give preference to the local areas and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

(b) The CSR expenditure be done in India only except for training of Indian sports personnel representing any State or Union territory at national level or India at international level can be done outside India.

(c) Administrative Overheads shall not exceed 5% of total CSR expenditure for the financial year.

(d) Any surplus arising out of CSR Project-

- shall not form part of the business profit; and
- shall be ploughed back into the same project; or
- shall be transferred to the Unspent CSR Account within reasonable time period from the end of FY and spent as per CSR Policy and annual action plan; or
- shall be transferred to fund specified in Schedule VII, within 6 months of end of FY.

(e) If a Company spends on CSR in excess of the requirement, such excess amount may be set- off against the requirement of the CSR Spending u/s 135(5) up to the immediate succeeding 3 financial years subject to condition that-

- the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- the Board of the Company shall pass a resolution to that effect.

(f) In the event of any unspent CSR amount, the Company shall comply with the requirements relating to transfer and utilization of such amount, including transfer to the Unspent CSR Account or to a fund specified in Schedule VII of the Companies Act, 2013, as applicable under the relevant provisions of the Act and the rules made thereunder.

8. CSR REPORTING AND MONITORING

a) The Company shall annex with its Board Report an annual report on CSR in the prescribed format (Refer Annexure-1).

b) If the Company fails to spend the amount earmarked for CSR as per sub-section (5) of section 135, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

c) In case the Company having average CSR obligation of Rs. 10 Crores or more in the 3 immediately preceding financial years, then the Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crore, or more and which have been completed not less than one year before undertaking the impact study.

d) The impact assessment reports, as mentioned in point (c) above, shall be placed before the Board and shall be annexed to the annual report on CSR, if possible.

e) Impact assessment expenditure for a financial year shall not exceed 5% of the total CSR expenditure for that financial year or Rs. 50 lakhs, whichever is less.

f) The Company shall furnish a report on Corporate Social Responsibility in Form CSR-2 as provided under Companies Act, 2013 to the Registrar of the Companies as an addendum to Form AOC-4 NBFC.

9. DISPLAY OF CSR ACTIVITIES ON WEBSITE

The Company will display on its website for public access:

(a) Projects approved by the Board, if required;

(b) Composition of CSR committee, if applicable; and

(c) CSR Policy.

10. REVIEW/AMENDMENT

The Policy shall be reviewed by the Board of Directors from time to time and at least annually. In the event of any amendment to the Companies Act, 2013, the rules made thereunder, or any other applicable law, the relevant provisions shall be deemed to have been incorporated into this Policy and shall prevail accordingly.

Annexure-1

Format for the Annual Report on CSR Activities to be included in Board's Report:

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

S.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 executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

5.
   (a) Average net profit of the company as per sub-section (5) of section 135.
   (b) Two percent of average net profit of the company as per sub-section (5) of section 135.
   (c) Surplus arising out of the CSR Projects or programmes or activities of previous financial years.
   (d) Amount required to be set off for the financial year, if any.
   (e) Total CSR obligation for the financial year [(b)+(c)+(d)].

6.
   (a) Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project).
   (b) Amount spent in Administrative Overheads.
   (c) Amount spent on Impact Assessment, if applicable.
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)].
   (e) 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 sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer

   (f) Excess amount for set-off, if any:

S.No	Particular	Amount (in
(1)	(2)	(3)
(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	
(v)	Amount available for Set off in succeeding financial years [(iii)-	

7. Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)135 (in Rs.)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
1	FY-1							
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ☐ No ☐

If yes, enter the number of Capital assets created/acquired ☐

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman of CSR committee/Board)	Sd/- [Person specified under clause (d) of sub-section (1) of section 380] (wherever applicable)