CSR FUNDS RECIPIENT POLICY

(WITH EFFECT FROM MARCH 2026)

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Institute of Insurance and Risk Management (IIRM)

Hyderabad

CSR FUND RECIPIENT POLICY

1. **Purpose of the Policy**

   This Policy outlines the framework under which the Institute of Insurance and Risk Management ("IIRM" or "Institute") shall receive, manage, and utilise the Corporate Social Responsibility (CSR) funds from companies eligible for CSR mandate under Section 135 of the Companies Act, 2013 ("Act") and its related Rules. The Policy is set forward to ensure transparency, compliance, accountability and alignment with national development priorities under Schedule VII of the Companies Act, 2013, as amended from time to time.

2. **Scope, Applicability & Opportunities:**

   CSR refers to the practice of eligible corporate entities that involve participation which is beneficial to society. Indian companies are mandated to undertaking CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and its related Rules. As per the Act and the notified Rules, all eligible corporate entities have to earmark 2% of their average net profits made during the three immediately preceding financial years, on CSR activities as specified in Schedule VII of the Act, or as amended from time to time.

   Applicability of CSR Provisions Under Companies Act, 2013:

   1. Every company having a Net worth of Rs. 500 crore or more or;
   2. Every company having a Turnover of Rs. 1,000 crore or more or
   3. Every company having a Net Profit of Rs. 5 crore or more
      in the immediately preceding Financial Year

   Eligibility to Receive CSR Funds

   The Prelude to this Policy underlines the eligibility of companies, NGOs, projects and programmes, that shall be eligible for the receipt of CSR Funds from such companies eligible under Section 135 of the Act. In furtherance to the same, it is hereby confirmed by IIRM that,

   - the Institute is registered as a Section 8 (Not-for-Profit) organization, established exclusively for undertaking CSR activity, i.e., imparting education
   - the Institute maintains CSR-1 Registration as required by the MCA
   - the Institute follows all reporting and utilization norms mandated by law
   - the Institute meets due-diligence criteria of CSR-contributing companies
   - the Institute is capable of independent execution of CSR projects or collaboration with partner entities

   Thereafter, Institute is henceforth considered to be eligible to receive CSR support as a Section 8 educational institution engaged in capacity building, research, skill development, and nation-building initiatives.

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3. **Eligibility of Donor Companies:**
   The Institute shall be open to the initiative of collaborating and processing or accepting the receipt of CSR Funds from the following categories of companies, to be identifies as donor companies for the purpose of this Policy:

   - Companies in the businesses of goods and services from within the domestic territory of the Indian dominion,
   - Companies which are non-discriminatory in nature and do not have any restrictive political or religious affiliations,
   - All Industry types having a standard CSR Policy and are compliant with the CSR Rules (Section 135, Companies Act, 2013).

   Further, consideration for collaboration will be given towards:
   - CSR Programmes / Projects which embraces and aligns with the overall objectives of the Company that will help the financial and/or socio-economic system,
   - Programmes / Projects which are closely linked with the Principles of Sustainable Development,
   - Special emphasis and encouragement on the Companies who would come forward in collaboration in the areas of Higher Education and its development.

   However, the initiative to collaborate will not be processed / accepted from Industries which have direct businesses in Tobacco, Arms & Ammunitions, Breweries, firms which have been de-listed by Regulatory Bodies / Agencies, firms who are loss making in nature.

4. **Institute's CSR Funds Recipient Policy Objectives:**
   The Institute aims to utilize the CSR Funds received in furtherance of imparting higher and specialized education as stated in the Memorandum of Understanding, in alignment with the activities specified under Schedule VII of the Act, including but not limited to the following:

   - Enhancement in Infrastructure for Academic, Capacity buildings, Research, and Social Outreach to achieve the overall purpose / mandate of the Institute,
   - To enable and emerge as a centre supporting the cause and help bring benefits to the stakeholders, collaborating industries, and research institutions,
   - Skill development, knowledge enablement, scaling-up the research and innovation towards fulfilment of the objectives of the Institute,
   - To build a Corpus/ Endowment Fund of the institute for establishment of Chairs, among others.

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5. **Legal & Regulatory Basis**
   IIRM undertakes CSR-funded activities strictly in accordance with:

   - Section 135 of the Companies Act, 2013, read along with Schedule VII of the Act, as amended from time to time.
   - Companies (CSR Policy) Rules, 2014, as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (jointly referred to as "CSR Rules") and further amendments as released from time to time.
   - Notifications and circulars, including Clarifications on CSR compliance released by the Ministry of Corporate Affairs (MCA) from time to time.
   - Guidelines for implementing agencies as released by the MCA from time to time.

6. **Scope of CSR Activities Eligible at IIRM**
   CSR funds received by IIRM shall be used solely for promoting education in the areas of Financial Services, Insurance, Risk Management, Actuarial Science, Marketing, Business analytics, and allied areas, and such projects that fall within Schedule VII of the Act, and mentioned in the Institute's MOU, including but not limited to the following sub-activities that help IIRM in imparting education:

6.1. Infrastructure
- Contribute to upgrade the infrastructure and education support systems of the Institute including the development of classrooms and computer labs
- Establishment of Centres for Resource Development – Digitisation, and Modernisation of e-resources
- Establishment of Career Counselling and Development and Enhancement Centres
- Incubation Centres and handholding of the Start-ups

6.2. Education & Skill Development
- Consulting in the field of financial services as per the Institute's scope of objectives and Joint Research Projects
- Student Talent Recognition and Merit-based Scholarships / Awards for, or in relation to, courses offered by the Institute
- Financial Support to the economically disabled graduates – based on outstanding academic background
- Recognition of Insurance Subject Matter Experts (Academic Staff) for outstanding contribution to domain Industry
- Promoting Quality Education and Campaigns in various potential centers
- Sponsorship for events that promote education on Insurance, Risk Management and Actuarial Science.

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- Professional education in insurance, risk management, actuarial science, reinsurance, analytics, and such other areas recognised
- Financial literacy, insurance awareness, and consumer education programmes
- Capacity-building for insurance ecosystem stakeholders (students, regulators, intermediaries, insurers)
- Supports Girl Child education by financing / sponsoring the entire education cost while pursuing the Higher Education level with IIRM

6.3. Employment Enhancing Vocational Skills

- Training and Development Collaborations
- Increased access to Digital Education
- Training programmes for youth and women to develop livelihood and employability
- Upskilling programs in data analytics, claims management, underwriting, Enterprise Risk Management, cyber risk, and related domains
- Certification programs for underserved/low-income groups

6.4. Augmenting the Endowment /Corpus Funds

- Research chairs, Sectoral studies, policy papers, and knowledge partnerships
- Student scholarships, fellowships, and international exposure programmes
- Faculty development, visiting scholars, and industry expert engagements
- Special initiatives aligned with regulatory or industry priorities

6.5. Research, Policy Studies & Knowledge Development

- Research projects on health insurance, risk analytics, climate risk, disaster preparedness, and micro-insurance
- Policy advisory studies in public interest
- Industry-academia research centres

6.6. Environment, Climate & Sustainability

- Climate-risk assessment research
- ESG capability building
- Programs on sustainability in insurance & risk management

6.7. Special Projects

Any project falling under Schedule VII of the Act, mutually conceived with the donor company.

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7. CSR Funds Recipient Project Proposal Mechanism

IIRM shall place this Policy in the public domain and shall seek expression of Interest from any eligible company under Section 135 of the Act, for being a donor company to the Institute. Upon receiving interest from a CSR donor company, IIRM shall:

1. Identify CSR-compliant areas aligned with both Schedule VII and the donor company's thematic priorities
2. Develop a detailed project proposal, containing:
   - Background and rationale
   - Objectives and outcomes
   - Target beneficiaries
   - Project methodology
   - Budget and funding requirement
   - Implementation plan (including timeline, milestones and such other requirements to be specified)
   - Monitoring & evaluation framework
3. Submit the proposal to the donor company's CSR committee for approval

8. Governance & Monitoring

The initiation, procedure, and implementation of the CSR Funds Project Proposal Mechanism shall be supervised by:

8.1. IIRM CSR Monitoring Committee

The IIRM CSR Monitoring Committee ("Monitoring Committee") shall comprise of three members including one Board member and two members from the Institutes' Department of management to:

- Review proposals
- Oversee implementation
- Authorize expenditure and fund release
- Ensure legal and financial compliance

The term of the members of the Committee shall be 3 years. The composition of the Committee will be displayed on the IIRM website.

8.2. Project Implementation Team

The Institute shall also set up a Project Implementation Team that shall be responsible for execution, coordination, community engagement, and reporting of CSR objectives undertaken by the Institute in furtherance of the Proposal set out under clause 3 of this Policy, once such Proposal is accepted by the donor company. The Project Implementation team shall comprise of a Project lead and Staff identified for the specific project and approved by the Monitoring Committee.

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9. Financial Management & Utilization

- CSR funds shall be utilised only for approved CSR projects
- A dedicated bank account named as the 'CSR Fund Recipient Account' shall be used for CSR fund receipts (as required)
- Income and expenditure will follow IIRM's financial policies and CSR Rules
- No part of the CSR grants shall be used for:
  - Administrative overheads beyond permissible limits
  - Political activity
  - Religious activity
  - Activities outside Schedule VII

IIRM shall maintain:

- Itemized financial records
- Supporting documents (bills, receipts, vouchers)
- Separate project-wise accounts

Unspent CSR Fund

For CSR Funds received by the Institute from a donor company for a particular approved project, any unspent amount from that project shall be carried forward to the particular project or return the unutilised balance to the donor company as per the CSR Fund Recipient agreement.

10. Monitoring, Evaluation & Reporting

The Institute will ensure donor visibility and transparency through the publication of the following:

10.1. Annual Report on CSR

The Board Report of IIRM for any financial year, shall include an 'Annual Report on CSR'. The Annual Report on CSR shall also include:

- Donor companies and programmes/projects with which the Institute had collaborated with in the specific year
- Outcomes achieved in such collaborations
- Beneficiary impact
- Financial summary of the Funds received and spent
- Assessment against KPIs
- Future roadmaps for the upcoming Year

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10.2. Progress Reports

The Institute shall publish quarterly progress updates for each collaboration initiated and processed with a donor company, project/programme in accordance with clause 7 of this Policy. Such Progress Reports shall be shared with the collaborating donor company/project/programme, every quarter from the date of approval of engagement, and shall include:

- Quarterly progress updates
- Financial utilization certificates
- Photographs, case studies, beneficiary lists (where applicable)

10.3. CSR Impact Assessment Report

The Institute, as implementing agency/recipient, shall provide annual project reports and relevant data / information to assist the donor in making the Impact Assessment Report.

10.4. External Audit

Where required by the Donor Company or CSR Rules, an external auditor shall verify CSR fund utilization of the Institute.

11. Treatment of Surpluses / Unutilised Fund:

Any surplus / unutilised fund from CSR Funding Organisation / Agency will be tracked and channelized into the CSR corpus / Endowment Fund in accordance with the Investment Policy of the Institute.

These funds will further be used in the development of the CSR activities and with approval of the Funding Organisation / Agency, Committee and upon final recommendations from the CSR Funding Company the reutilisation will be decided.

12. Communication, Branding & Visibility

CSR partner branding will be displayed as per:

- Donor company's CSR guidelines
- IIRM's communication policies
- MCA CSR Rules on promotion and recognition

This may include:

- Joint branding with the donor company on training material
- Visibility on the Institute's own website, brochures, and social media
- Recognition and promotion at events, conclaves, workshops, seminars, and such other events
- Co-authorship of research reports with the donor company or collaborating project/programme

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13. **Ethical Standards & Conflict of Interest**
    IIRM shall always strive to adhere to
    - Highest standards of integrity and accountability
    - Zero-tolerance use of funds other than stated/mandated objectives
    - Transparent processes in procurement, hiring, and project partnerships
    - Mandatory disclosures of conflict of interest (if any)

14. **Review & Amendments**
    This Policy will be reviewed annually or as required due to amendments in CSR legislation or the strategic direction of IIRM, as and when required.

15. **Effective Date**
    This Policy shall become effective from March 2026.

16. **Point of Contact**
    Any company/project/programme interested to collaborate with the Institute shall reach out to the Director, IIRM through:
    Email - director@theiirm.ac.in
    Telephone Number- 040 - 23000005
    Or send a letter at:
    Institute of Insurance and Risk Management, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032.

17. **Display of CSR Activities on the Institute's Website**
    Considering that IIRM is established under Section 8 of the Act, with the sole objective of imparting higher financial education, an activity recognized under Schedule VII of the Act as a CSR activity, the CSR Funds Recipient Policy shall be read along with and in furtherance of the CSR Policy of IIRM.

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