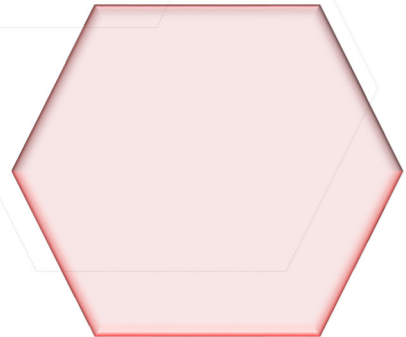
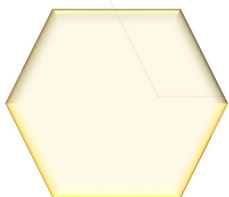




# CORPORATE SOCIAL RESPONSIBILITY MANUAL



## 1. PURPOSE

The CSR Manual of PNB Gilts Limited (referred to as the Company) has been framed in accordance with the provisions of section 135 of the Companies Act, 2013 (“Act”) and the Rules prescribed thereunder (as defined hereinafter), (collectively referred as “Applicable Laws”).

Section 135 of the Companies Act, 2013 (the ‘Act’) and Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) requires every company having a net worth of Rs. 500 crore or more or turnover of Rs. 1000 crore or more or a net profit of Rs. 5 crore during the immediately preceding financial year to constitute a CSR Committee and comply with the provisions of CSR contained in the Act.

PNB Gilts Limited (referred to as ‘the Company’) CSR manual shall serve as a guidance note to establish and adopt the best practices for CSR framework.

## 2. SCOPE & APPLICABILITY

This manual shall serve as a guiding principle while considering relevant policy design and policy instruments that can be adopted or internalized as a part of CSR planning, implementation and monitoring in a sensitive manner.

## 3. DEFINITIONS & ABBREVIATIONS

- a. **“Act”** means the Companies Act, 2013 (18 of 2013) and its subsequent amendments such as Companies (amendment) Act 2020;
- b. **“Rules”** means the Companies (CSR Policy) Rules issued by the Ministry of Corporate Affairs (MCA) as amended from time to time.
- c. **“Corporate Social Responsibility (CSR)”** means the activities undertaken by Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the rules, but shall not include the following:
  - i. activities undertaken in pursuance of normal course of business of the Company;
  - ii. any activity undertaken by 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;
  - 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;
- d. "**CSR Committee**" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
  - e. "**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;
  - f. "**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;

## 4. REFERENCE DOCUMENTS / REGULATORY BASIS

- I. Ministry of Corporate Affairs Notification dated 07<sup>th</sup> July, 2025 on Company (Corporate Social Responsibility Policy) Amendment Rules, 2025
- II. Ministry of Corporate Affairs Notification dated 22<sup>nd</sup> January, 2021 on Company (Corporate Social Responsibility Policy) Amendment Rules, 2021
- III. Ministry of Corporate Affairs Notification dated 22<sup>nd</sup> January, 2021 Company (Corporate Social Responsibility Policy) Rules, 2014.

## **5. GOVERNANCE STRUCTURE & ROLES**

The organizational design for Corporate Social Responsibility at the Company is outlined below:



S. No.	Particulars	Constitution, Roles and Responsibilities
1	<b>Board of Directors</b>	<p>Board will inter alia do the following:</p> <ul style="list-style-type: none"> <li>• Approve the CSR Policy of the Company and make necessary disclosures.</li> <li>• Ensure spend of at least 2% of net profits calculated as per section 198 of the Act.</li> <li>• The Board shall ensure that the Company complies with the provisions of law on CSR.</li> <li>• The Board shall ensure that Administrative Overheads shall not exceed 5% of the total CSR Expenditure of the company for the financial year.</li> <li>• Ensure that the CSR activities are undertaken by the Company as per Annual Action Plan and as required under law, taking into account the approved timelines, yearwise allocation etc.</li> <li>• The Board of the company shall satisfy itself that the funds disbursed for CSR activities 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 this effect.</li> <li>• Ensure that the CSR activities are undertaken directly or through the entities in the manner specified in the applicable Rules.</li> <li>• The Board on the recommendation of the CSR Committee shall be the absolute authority to update, alter, modify, amend, withdraw and replace the Annual Action Plan for justified reasons.</li> </ul>

S. No.	Particulars	Constitution, Roles and Responsibilities
		<ul style="list-style-type: none"> <li>• The Board shall monitor the progress of approved CSR projects and programs with respect to timelines through the CSR Committee. The monitoring framework of implementation of CSR project shall be devised by CSR Committee with the assistance of CSR Taskforce. In case of ongoing projects, The Board shall monitor the implementation of the project with reference to the approved timelines and yearwise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.</li> <li>• The Board shall also approve multi-year projects 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 recommendation of CSR Committee and reasonable justification.</li> <li>• While approving any CSR Project or programme which will be treated as an Ongoing Project, the Board shall lay down the following: <ul style="list-style-type: none"> <li>○ Estimated budget outlay on CSR project or programme during the course of its implementation</li> <li>○ Estimated budget outlay during every financial year.</li> <li>○ Manner of implementation</li> </ul> </li> <li>• The Board shall approve the Annual Report on CSR with the prescribed disclosures and reports and ensure the same is disclosed on the Company's website as required under law.</li> </ul>
2	<b>CSR Committee</b>	<p>The Board of Directors of the Company shall constitute a CSR Committee from time to time in compliance with statutory requirements. The CSR Committee shall comprise of a minimum of three directors, out of which at least one director shall be an independent director.</p> <p>To achieve the objectives as stated above and in terms of Section 135 of the Act and rules made thereunder, the CSR Committee formed by the Board shall perform the following functions:</p>

S. No.	Particulars	Constitution, Roles and Responsibilities
		<ul style="list-style-type: none"> <li>• Formulate and recommend to the Board CSR Policy for the Company which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.</li> <li>• Formulate and recommend to the Board an Annual Action Plan in pursuance of CSR Policy.</li> <li>• Recommend to the Board the amount of expenditure to be incurred on CSR activities.</li> <li>• Monitor the implementation of the CSR Policy of the Company from time to time.</li> <li>• Monitoring and reviewing the CSR projects / initiatives from time to time. For the said purpose, the Committee may utilize the employees of the Company or can hire the services of any external consultant/ third party agency.</li> <li>• Undertake the need and impact assessment, if any, for the projects undertaken by the company.</li> <li>• Any other matter/thing as may be considered expedient by the members/Board in furtherance of and to comply with the CSR Policy of the Company and/or specified under the Act and the Rules made thereunder.</li> </ul>
3	<b>CSR Taskforce</b>	<p>The CSR Taskforce shall be headed by CFO and will assist CSR Committee in administering and executing the CSR policy and CSR projects. CSR Taskforce will assist on the following areas:</p> <ul style="list-style-type: none"> <li>• Evaluation of proposals received from implementing agencies. CSR Taskforce may evaluate these proposals either through its in-house resources or through an independent third party agency.</li> <li>• The CSR Taskforce will assist CSR Committee in implementation and monitoring of CSR Projects approved by the Board.</li> <li>• The CSR Taskforce may hire third party agencies to conduct Need Assessment, Due Diligence, Annual Audit of the CSR projects.</li> <li>• CSR Taskforce on recommendation of CSR Committee and Board may also hire an independent third party agency to conduct Impact Assessment of its CSR Projects.</li> </ul>

## 6. PROJECT PLANNING, ENGAGEMENT AND IMPLEMENTING AGENCY SELECTION

### A. Project Planning

At the initial phase there are following aspects upon which projects are selected.

- i. Funding available in the current year for CSR activities
- ii. Target beneficiaries
- iii. CSR focus areas of the Company

Budgets will be allocated for CSR projects through a process incorporating identification of suitable implementation agencies, need assessment, Due-Diligence and clear outlining of desired outcomes of CSR projects. The CSR projects / programs / initiatives, to be undertaken must fall within the purview of the Schedule – VII of the Companies Act, 2013 (as amended from time to time).

Company will lay emphasis on the sustainability of its projects / programmes to ensure they remain relevant and viable even upon disengagement at the end of the project period.

### B. Engagement

Company is committed towards improving the lives of India's most marginalized and vulnerable communities and others in the society in sustainable manner.

Engagement Model shall be –

- (i) Direct engagements - initiatives to be conceptualized and executed directly through Company or through its authorized service providers/vendors.
- (ii) Through implementing agencies - The Company may partner or collaborate with;
  - 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 and approved under 80G of the Income Tax Act, 1961 (43 of 1961), 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 and approved under 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- Any other entities as prescribed in CSR rules and regulations

### **C. Implementing Agencies Selection Process**

- i. Identification of Implementing Agencies: CSR Committee may authorise CSR Taskforce to identify the implementing agencies through advertisement in public forums including through social media platforms. Implementing agency identification is done considering aspects such as their credibility, brand image, previous records of intervention, number of beneficiaries reachable etc.

CSR Taskforce may also approach potential implementing agencies that may have a specific geographical presence, working experience with company, other PSUs and government entities, credibility and track record with extensive programme delivery experience or contextual understanding in areas of CSR focus.

- ii. Submission of the grant application along with proposed project proposal by the Implementing agencies: The implementing agencies identified/ approached by the company needs to submit a detailed proposal along with details of proposed beneficiaries, project location, detailed budget, project implementation plan, project outcome and sustainability of the project.
- iii. Scrutiny of the project by CSR Taskforce: The CSR Taskforce in consultation of MD and CEO of the company will select/ reject the proposal for further evaluation. CSR Taskforce may obtain services of an independent third party agency for evaluation of all proposals received. Following factors will be considered for selection of proposal for further evaluation:
  - Alignment of the project with the focus area specified in this CSR Policy;
  - Impact on the society/community at large and/ or the environment;
  - Sustainability of the projects to ensure long term impact;
  - Prior experience of working with PSUs and Government agencies;
  - Timeframe within which the project can be completed;
  - Key beneficiaries of the project and the impact on them; and
  - Availability of an Exit option/ Sustainability of the project.

Proposals of Implementing agencies, if not invited by Company or its authorised third party independent agency, are liable for rejection without assigning reasons thereof.

- iv. Need assessment – Need assessment of all the shortlisted projects should be conducted by an Independent agency or by CSR Taskforce. Baseline data pertaining to target beneficiaries is collected from the implementing agency at the start of the project intervention.
- v. Due Diligence: A mandatory due-diligence of all shortlisted projects should be conducted by an Independent agency or by CSR Taskforce. Comprehensive process of reference checks, website verification, review of the Board of Directors, Trustees, Members, Financial controls, Internal controls, legal checks and site visits are conducted in this process. Due diligence activity may inter alia cover aspects of:
  - (a) Financial and program management;
  - (b) Governance and management structure;
  - (c) Capacity to deliver the program;
  - (d) Compliance with statutory registration and requirements;
  - (e) Any political connections or dubious affiliations of the agency;
  - (f) Any potential conflict of interest; and
  - (g) Existing and past litigations

The independent third party agency or by CSR Taskforce should prepare and submit a DD report on the indicative areas mentioned in Annexure A of this manual. The Due-diligence report will be presented to the CSR committee of the Company by CSR Taskforce.

Company has identified few Non-negotiable checks. Any exceptions on the same should report separately in the Due-Diligence report.

Non- negotiable checks:

Company follows the ethical standards as per industry practice and therefore, implementation agencies should satisfy the ethical standards and criteria specified by the Rules (if any) and have relevant experience, good credentials, no criminal track record. Below are the non-negotiable checks points identified by the Company.

S. No.	Non-negotiable checks
1	Valid Registration Certificate (Companies / Trust / Societies Act)
2	Registration under section 12A
3	Approval under section 80 G
4	PAN (Permanent Account Number)

5	Submission of IT return of last 3 years
6	Audited Accounts of last 3 years
7	Memorandum/Articles of Association or Constitution allow the organization to work in the proposed area
8	Track record of executing similar projects in past
9	The objective(s) of the project should fall under Schedule VII of Section 135 of the CSR Act
10	Any political connections or dubious affiliations of the agency
11	Any potential conflict of interest with Company and its directors, and KMP and senior management.
12	Significant existing and past litigations against implementing agency and its directors/ trustees/ members
13	Direct/ indirect association of NGO with the country having border conflicts with India
14	CSR 1 certificate

- vi. CSR committee and Board Approval: All selected projects are put up to the CSR committee along with the Need assessment and Due-Diligence reports. CSR committee will present the selected CSR projects along with the Annual Action Plan (AAP) to the Board. Post approval of the board, AAP will be uploaded on the company website and empanelment process with selected implementing agency will initiate by CSR Taskforce.
- vii. Empanelment with implementing agency to convey terms of engagement between the implementing agency and Company and to clearly lay out the work plans, targets, budget and budgetary notes, disbursement plans, reporting requirements, general and special conditions of the grant and template for fund request, reporting formats for programmatic and financial reporting, impact expected out of the project and guidelines related to projects will be documented. The Agreements with selected implementing will be signed by Senior Executive Vice president or Managing Director/ CEO of company. In their absence, such agreement will be signed by the person authorised by Managing Director / CEO.

## 7. ANNUAL ACTION PLAN (AAP)

- 10.1 CSR Taskforce will present the details of proposed CSR projects to CSR Committee. CSR Committee will review these projects and recommend the CSR projects to the Board in form of Annual Action Plan for their approval. The Guidelines (if any) issued

by the Government of India from time to time for spending CSR in specific focus areas shall also be considered for forming the Annual Action Plan for CSR projects.

10.2 The Annual Action Plan shall contain the information as required under the CSR Act and Rules. At present, the provisions specify following information to be mentioned in Annual Action Plan:

- i) list of projects or programmes to be undertaken, in the relevant financial year;
- ii) Area where the CSR Activities are to be undertaken;
- iii) manner of execution;
- iv) modalities of utilisation of funds,
- v) implementation schedule
- vi) monitoring and reporting mechanism and
- vii) details of need and impact assessment, if any

The CSR Taskforce will upload the approved Annual Action Plan on Company website and assist the CSR Committee in administering and executing the CSR projects approved in the Annual Action Plan.

10.3 The CSR Taskforce will monitor the project activities and report the variance (if any) from the Annual Action Plan to Managing Director and CSR Committee. The CSR Committee will place the alteration in Annual Action Plan to Board. The Board on the recommendation of the CSR Committee is authorized to update, alter, modify, amend, withdraw and replace the Annual Action Plan for justified reasons but within overall CSR budget of the Company for the said financial year. However, any variance upto 10% of the project budget of approved CSR projects or activities will be treated as per the direction provided by Managing Director of the Company provided that the same is within the overall CSR budget for the said financial year. Further, any such alteration in the project budget or with in the inter head adjustment in project activities will be placed in the subsequent CSR committee and Board meeting for their information.

## **8. PROJECT IMPLEMENTATION AND DISBURSEMENT PROCESS**

CSR Taskforce of the company will assist in partnership identification, proposal structuring, project activation and monitoring. The following process shall be followed in implementing projects once approved by the Board:

Once the proposal of the implementing agencies has been approved by the Board, Company and the implementing agency enter into a partnership by signing a MoU. Below are the key points related to Memorandum of Understanding:

- The partnership between Company and the implementing agency is formalized through a Memorandum of Understanding signed by both parties.
- The Memorandum of Understanding can be signed for the period of the project, which ranges from 1 to 3 years.
- Although the project may be approved for multiple years, it is subject to review by the Board of Company at the end of each year. Continuance of the grant is subject to Company CSR committee and Board approval.
- Company reserves the right to continue, discontinue or reduce the quantum of the grant. Renewal of the grant is also subject to the availability of adequate funds with Company.
- The Memorandum of Understanding is supported by many annexures such as work plans and targets, budget and budgetary notes, disbursal plans, reporting requirements, general and special conditions of the grant and template for fund request, reporting formats for programmatic and financial reporting and guidelines for information and publicity.
- Once signed and accepted, the Memorandum of Understanding binds both parties to the terms and conditions mentioned therein. Company will collect the following documents from the implementing agency and keep the same in records:

Sr. No.	List of Documents
1	MOA & AOA/Trust Deed/Bye laws
2	Registration Certificate
3	GST Registration Certificate, if applicable
4	PAN Copy
5	12 A Certificate
6	80 G Certificate
7	Communication Address copy i.e. (Electricity or telephone bill)
8	Registered Address copy
9	FCRA Certificate, if applicable
10	Details of Trustee & 2 key office bearer on the Letter head with sign and seal (Format attached)
11	Audited financial statements & Acknowledgement of Income Tax Return of last three years of the implementing agency

Sr. No.	List of Documents
12	CSR1 Registration
13	Cancelled cheque copy ( coloured scan copy with name printed on it)/ Bank statement which should not be more than two months old.
14	Declaration that there is no conflict of interest with Company and its directors, KMP, Senior Management.
15	Declaration from implementing agency that they don't have any existing legal and criminal cases

- Once MOU signed, funds will be disbursed to implementing agency basis the agreed milestones in MOU.
- The next instalment is disbursed after the expenditure for previous quarter is reviewed from the utilisation certificates, signed by the head of implementing agency/ CEO or any other authorised person.
- The implementing agency is requested to share details about the over/under utilisation of funds. Company also checks the outreach of the programme in terms of number of beneficiaries covered in the quarter and the cost incurred during the quarter.

## 9. MONITORING AND EVALUATION

The CSR activities of the Company will be duly monitored. The monitoring process adopted by the Company may include obtaining of reports of different kind, self declaration, On-site visit, pictures or videos of project sites, etc. Further, the monitoring process may involve

- (i) periodic reporting; and
- (ii) periodic review and assurance visits of the CSR projects:

### i. Periodic reporting:

- Quarterly reports: The implementing agency (if required as per MOU) needs to submit project fund utilization reports which provide the details of the programmatic and financial performance of the implementing agency viz a viz the plans and budgets on a periodic basis as agreed in the Memorandum of Understanding. The standard template of the reporting is documented in Annexure B (i) to B (iv).

- Audited Utilisation reports: The Memorandum of Understanding prescribes the submission of audited financial statements at a specified periodicity. The utilisation statement should be audited as per the guidance issued by Institute of Chartered Accountants of India (ICAI).
- ii. Periodic review and assurance visits:
- Monitoring visits by Company staff - Company programme staff monitors the project closely, both financially and programmatically on Half yearly basis. The standard template of the reporting is documented in Annexure C.
  - Independent Audits: Company may also commission periodic audits by third party agencies (based on internally defined norms)/ internal auditor, to assess whether project grants are being managed in an effective and efficient manner. The standard audit scope of work is documented in Annexure D.
  - Audit Compliance: Upon completion of the audit process, compliance is sought from the implementing agency on the audit observations and recommendations, along with timeframes for implementation thereof. The audit file is closed when all the audit observations are satisfactorily responded to by the implementing agency. The status of implementation of the recommendations is verified during the subsequent audit
  - Impact Assessment: In case the Company's CSR expenditure obligation is ten crore rupees or more, in the three immediately preceding financial years, it 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.

The CSR committee of the Company may also voluntarily decide to undertake impact assessment of its CSR project in order to gauge the real benefits reaped by the beneficiaries of its projects. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

At the end of every financial year, the CSR Committee shall submit requisite information and documents to report the progress of implementation of the CSR projects or programmes, to the Board. Further, the Chief Financial Officer of the Company and in its absence, the person responsible for financial management, shall certify to the Board every financial year as to whether funds disbursed for CSR projects or programmes were used for the said purpose or not.

## 10. CSR Expenditure and Reporting

### A. CSR Expenditure:

The Board of the company will ensure that in each Financial Year (FY), at least two percent of the average net profit (calculated as per Section 198 of the Companies Act 2013) accrued during the three immediately preceding Financial Years is spent on CSR activities / projects / programs.

In the event, that amount indicated in above paragraph is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per the Act to be shared with all the stakeholders through the Annual Report and the unspent amount shall be transferred to funds specified in the Act.

In an event where Company makes any surplus or profit from pursuing the CSR projects / programmes, these will not form part of the business profit but will, instead 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 transferred to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

In an event where CSR expenditure is in excess of requirement as per section 135 of Companies Act, 2013, such excess amount may be set-off against the requirement to spend as per Section 135 of Act, up to immediate succeeding three financial years subject to the condition that:

- (a) this excess amount shall not include any surplus arising out of CSR projects; and
- (b) Board of the Company shall pass a resolution to this effect

In case of Ongoing Projects or otherwise, where during any financial year, the budgeted expenditure for that financial year is not spent fully as a result of which CSR obligation for that financial year is not fully met, then the unspent amount will be treated in accordance with provisions of the Act.

### B. Reporting:

Company will make a full report of its CSR projects / programmes undertaken during the previous year in the format prescribed for the “Annual Report on CSR Activities to be included in the Board’s Report” on the Companies Act and related Rules. Company will also report its CSR activities in the CSR 2 form as required by the Act and related Rules from time to time.

## 11. Renewal and Closure of Grants

### A. Renewal of Grants:

In case of Ongoing Project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The projects will be audited as per the audit plan prepared by CSR taskforce. The audit results, target achieved by the implementing agency will be presented to the CSR committee and Board. Accordingly, CSR committee and board will take decision for the renewal or closure of grants.

### B. Closure of Grants:

#### i. Closure due to expiry of project period

The CSR projects are valid till the expiry of the project period. The projects will automatically close at the expiry of the project period unless the same is renewed/extend by the Company. The unspent amount of the CSR Grant at the closure of project period will be treated in accordance with provisions of the Act.

#### ii. Closure due to Non-Compliance of MOU

In case it is evident that there are major deviations either in the implementation plan or in the budget utilization, CSR Taskforce may have discussions with the concerned implementing agency to:

- understand the reasons for deviations
- In case required, to amend the implementation plan or budgets
- Where required, Company may also undertake or commission a detailed investigative audit to find out the facts of the matter.

In case of following situations, Company reserves the right to cancel / terminate the grant/ MOU without further notice and to take appropriate action to recover part or all of the funds made available to the grantee under this grant:

- the implementing agency has wilfully contravened some of the key provisions of the grant Agreement
- there is no correlation between the expenditure incurred and the outputs achieved
- it appears that the proposed outcomes or targets are not likely to be achieved
- there is evidence of misappropriation of funds or deviation of funds to activities other than for which they were provided or

- In general, should Company at any time have reason to consider that there has been any misuse of project funds or any major deviation from the terms of the grant or the objectives of the project as described in the grant Agreement,

Apart from the above, the following circumstances may also lead to premature closure of the project and /or recovery of grants funds:

- a. Implementing agency has received and utilised funds from other sources towards the same project without prior approval of company.
- b. The legal status of the Implementing agency has come to an end.
- c. The Implementing agency has violated statutory or regulatory compliance, leading to cancellation of registration required for implementing CSR activities or tax exemption.

## 12. ACCOUNTING, AUDITING AND DOCUMENTATION

15.1 Company will follow the Accounting and Auditing Guidance Note / Standards duly approved by the Government of India, if any. Audits of CSR activities and programmes shall be done in accordance with the Guidelines issued by Institute of Chartered Accountants of India (ICAI).

15.2 Company will endeavour at all times to put in place, for all projects / programmes, an effective documentation process. The comprehensive documentation may include – printed material, audio recordings, video recordings etc. Documentation of all data generated during project execution shall be maintained by the CSR Taskforce.

## 13. Annexure

### ANNEXURE A

#### Due Diligence Indicative Areas

S. No.	Indicative areas to be verified during the due diligence
I	<b>Compliances</b>
	NGO Registration

	12A Registration, 80G registration
	FCRA Registration, EPF Registration, Professional Tax Registration & GST Registration (if applicable)
	PAN Number
	CSR 1 of the organisation
	Periodic compliance with Annual return with Income Tax/ Companies Act or any other act applicable to the implementing agency,
	Periodic compliance with PF, TDS, FCRA, ESIC, PT (if applicable),
	Audited financials and Income tax compliances for last 3 financial years.
<b>II</b>	<b>Governance</b>
	Board Structure and Profile
	Advisory Group and Committees
	Compliances with Bye-laws of the companies
	Independence & Conflict of Interest
	Risk Management Framework
	Litigation
	Structure and process on areas like sexual harassment, whistle blower, etc.
<b>III</b>	<b>Financial Management</b>
	Operating manual
	Segregation of Duties
	Donor - Project reporting
	Cost allocation
	Cash, Bank and Asset management
	Budgeting
	Accounting and Human resource procedures
<b>IV</b>	<b>Implementing agency capacity to deliver the project</b>
	Past experience
	Manpower capacity
	Infrastructure capacity
<b>V</b>	<b>Programs</b>
	Project cycle
	Program manual and practices/processes on Need assessment
	Monitoring & evaluation
	Baseline
	Quality management,

	Capacity building and Data protection Impact assessment
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Note: These are indicative areas and CSR taskforce has a right to add any specific area at the time of engagement.

**ANNEXURE B (I)**

**Quarterly Financial Report (QFR)**

Name of Organization.....

Total Sanctioned Amount .....

Project Start Date ..... Financial

Report for the Period .....

Particulars	Unit Cost	Total Budget for the Year	Quarter 1 (from ___ to ___)		Quarter 2 (from ___ to ___)		Quarter 3 (from ___ to ___)		Quarter 4 (from ___ to ___)		Total ( from ___ to ___)		Reason of Variance
			Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
Budget headings													
XX													
XX													
XX													
XX													
XX													
XX													
<b>Grand Total</b>													

Name:

Designation :

Signature:

Date

Note:

1. The quarterly financial report should be accompanied by a point wise explanation for all line items showing a + - 10% variance.
2. Funds cannot be used for purposes other than sanctioned in the approved budget, unless written approval is obtained from Company

**ANNEXURE B (22)****Quarterly Fund Reconciliation Statement**

Name of Implementing agency: .....

Project Name: .....

Grant period: .....

Grant Amount: .....

Particulars	Amount in INR
FUND RECONCILIATION as on (end of reporting period)	
OPENING FUND BALANCE	
ADD : Remittances received from Company (for the quarter under consideration)	
Remittance 1 :	
Remittance 2 :	
Remittance 3 :	
Remittance 4 :	
Bank Interest earned during the quarter	
Project Income not forming part of the project budget (if any)	
Total Funds Available	
Less : Fund Utilised (for the quarter under consideration)	
Total Utilization	
CLOSING FUND BALANCE (at the end of this reporting period)	
Represented by:	
Cash in hand	
Cash at bank (project bank accounts)	
FDs	
Advances (give details separately)	
Less: Payables, Provisions and Liabilities (give details separately)	

Name:

Designation :

Signature:

Date:

### Fund Requisition Request

Name of the Project: .....

Name of Organization:.....

Date Submitted: .....

Budget for the Year		
Opening Balance available at the beginning of the year	A	
Add: Already Disbursed by Company till date	B	
Add: Interest and Other Income earned from the project funds	C	
Less: Utilized Upto last QFR submitted (specify the period)	D	
Less: Utilization from Interest and Other Income till last QFR	E	
Less: Consolidated utilization after last QFR upto last completed month	F	
Balance Available	$G=A+B+C-D-E-F$	
Project Expenditure for next Quarter ( from ___ to ___)	H	
Funds Requested from Company	$I=H-G$	

Name:

Designation :

Signature:

Date:

## Quarterly Progress Report

Report for the quarter of.....

Project name .....

Beneficiary Details:

Period	Target Beneficiaries	Actual Beneficiaries
Current Month: .....		
Current year: .....		
Cumulative to date.....		

Component/Activity Wise Progress

S. No.	Budget Activity	Current quarter ending .....		Cumulative for Year		Cumulative for the project till date	
		Target	Achievement	Target	Achievement	Target	Achievement

Narrative Report: Brief of activities implemented/ completed in the quarters

Name:

Designation:

Signature:

Date:

**Field Visit Report Template**

Visit Report

Project name : .....

Name of the Implementing agency : .....

Total Grant : .....

Target no. of Beneficiaries: .....

Project period: .....

Company Representative on visit : .....

NGO Representative on visit : .....

Date of Visit : .....

Project Area Visited (Village/District/State) : .....

Details of Previous Visit : .....

Summary of issues identified in previous visit

Whether all escalated issues resolved by the Implementing agency till Date	(Yes/No)
If no, details of follow-up done by Project team over mail Correspondence	
Reasons why Implementing agency could not resolve the escalated Issues	
Brief details of unresolved issues	
Tentative time frame within which the issues will be resolved by Implementing agency	

Details of current visit:

1. Observations identified during audits
2. Major Discussions / Suggestions with Core Program team
3. Overall Impression of the visit:

Signature:

Name :

Designation:

Date of visit:

Date of report submission:

Date of report closure:

**Audit Scope of Work**

**Financial, Human Resource and Asset Management:**

- Method of accounting funds received from Company
- Compliance to grant terms and conditions
- Verify the expenditure incurred is with reference to Accounting Policy, procedure and as per agreed budget.
- Methods adopted for disbursing amount to vendors of assets / institution / service providers / identified group.
- Management and safeguard of Cash, Bank and Fixed Assets of the project.
- To check for the Statutory Compliances such as FCRA, Income Tax, PF, professional Tax, ESIC, Goods and Service Tax, etc.

**Program Related:**

- To check the activities implemented by implementing agencies is as per the agreed MOU
- System of maintaining records and documents pertaining to beneficiaries identified for the specific project

**General Scope:**

- Governance including the details of Trustees, Governing Body, Meetings held, Filing of minutes;
- Serious irregularities, if any observed in the audit reports submitted by Internal / statutory auditors and how the issues are addressed.
- To check and confirm that NGO has not received any strictures or penalised for its regulators and other agencies(if any).