

**BIRAC Policy on CSR
As an Implementation Agency**



Biotechnology Industry Research Assistance Council
(A Government of India Enterprise)

I. INTRODUCTION

This document presents the system and protocol to be followed by **Biotechnology Industry Research Council (BIRAC)** for the deployment of funds accepted from the different stakeholders towards the Corporate Social Responsibility related activities. It basically contains the compilation of operating procedures to be followed by BIRAC regarding the deployment of funds towards CSR activities. Biotechnology Industry Research Assistance Council (BIRAC) is a not-for-profit Section 8, Schedule B, Public Sector Enterprise, set up by Department of Biotechnology (DBT), Government of India.

BIRAC acts as an Interface Agency to strengthen and empower the emerging Biotech enterprise to undertake strategic research and innovation, addressing nationally relevant product development needs.

BIRAC's vision is to 'Stimulate, foster and enhance the strategic research and innovation capabilities of the Indian biotech industry, particularly start-ups and SMEs, for creation of affordable products addressing the needs of the largest section of society'. BIRAC's philosophy is rooted in its mission to 'trigger, transform and tend biotech start-ups to convert innovative research in public & private sector into viable and competitive products and enterprises'.

II. BIRAC AS "IMPLEMENTING AGENCY"

- a) **Section 135 of the Companies Act 2013 mandates Corporate Social Responsibility** (herein after called as "CSR") is applicable to every company which meets any of the following threshold during the immediately preceding financial year (F.Y.):
- i. Either Net worth of Rs. 500 Crore (Rupees Five Hundred Crore) or more; or
 - ii. Either Turnover of Rs. 1,000 Crore (Rupees One Thousand Crore) or more; or
 - iii. Net profit of Rs. 5 Crore (Rupees Five Crore) or more.

"Net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of Section 198 of the Companies Act 2013.

- b) The Act mandates that in case of Companies which the amount to spend on CSR is less than Rs 50 Lakhs the functions of CSR Committee may be discharged by Board.
- c) In case any company has any unspent Corporate Social responsibility amount of previous years shall require to constitute CSR committee.
- d) In case of BIRAC which is a Section 8 Company the Internal CSR Committee was formed by Board to recommend the deployment of CSR to Board.(45th Board Meeting .)
- e) *As per the Board Direction a Proposal of a minimum of 10 crores or more of CSR fund incoming into BIRAC are to be examined and recommended by Internal CSR Committee and further approved by Board. This will exclude any funds from grantees of BIRAC with whom there is conflict of interest and those in Biotech and Lifesciences sectors) (59th Board Meeting).*

The Companies Act, 2013 has allowed some entities to act as an **Implementing agency** through which the Corporates can fulfill their CSR spending obligations.

As per Rule 4 of the Companies (Corporate Social Responsibility) Rules, 2014, CSR activities may be undertaken by the company itself or through, –

- (a) 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 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
- (b) **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**
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) 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 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

BIRAC being a Section 8 Company, is eligible to undertake CSR activities on behalf of other stakeholders. In addition to this, BIRAC has also registered itself as an CSR implementing agency under the Companies Act 2013 and rules made thereunder vide filing the Form CSR-1 to the Ministry of Corporate Affairs (MCA).

- ❖ **The CSR registration number of BIRAC is CSR00025388.**
- ❖ **Further, it also is registered under Section 12 A and Section 80 G of the Income Tax Act, 1961.**
- Therefore, apart from its own obligations, BIRAC can also undertake CSR activities on behalf of other stakeholders in adherence to the provisions of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time and DPE guidelines and in correspondence with such terms and procedures as specified in this Policy”.
- The activities to be covered and the Projects to be undertaken by BIRAC as a part of Corporate Social Responsibility regarding the deployment of funds received by it as an Implementing Agency from the various stakeholders shall be within the ambit of the activities laid down in **Schedule VII** of the Companies Act, 2013 as amended from time to time. **Schedule VII** is enclosed herewith as “**Annexure A**”.
- ❖ *The key benefits, that the Corporates could take by collaborating with BIRAC which being a Central Public Sector Enterprises (Section 8 Company) under the Department of Biotechnology, Government is the credibility and goodwill with Stakeholders, established auditing procedures i.e. Statutory & CAG auditing and a professional Board where CSR activities/projects are undertaken through implementing agency, the board of the Company would be able to monitor the utilisation, as per Agreement.*

- ❖ BIRAC as an implementing agency endeavors to align the project with the legal prescriptions outlined in the Companies Act. The convergence is necessary to not only ensure adherence to the legal provisions but also to create ‘shared value.’
- ❖ Communication of BIRAC’s initiatives under CSR as an implementing Agency include the following:
 - Print Media-newspapers, advertising etc.
 - Brochures/pamphlets/publications
 - Posters/Banners
 - Website https://www.birac.nic.in/desc_new.php?id=933

III. PROJECTS/ACTIVITIES UNDERTAKEN BY BIRAC

BIRAC can undertake CSR activities as permitted by its Memorandum of Association (MoA) and such activities shall be within the scope of those activities laid down in **Schedule VII** of the Companies Act, 2013 as amended from time to time.

BIRAC is focused towards the expansion of incubation activities across India in the biotechnology space. BIRAC not only acts as a CSR partners for other stakeholders but also guide them on CSR strategies, provide technical assistance, facilitate project design & implementation, offer advisory services and devise models of best CSR practices.

The projects/activities which will be undertaken by BIRAC shall majorly include but not limited to “**Contribution 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.**”

The Focus area of BIRAC will be acceptance of CSR funds for furthering the mandate of BIRAC and for scaling up the incubation centers and innovation network in the country. The activities that BIRAC undertake, shall be within the ambit of activities defined under the Schedule VII of the Companies Act, 2013.

IV. GOVERNANCE AND REGULATORY FRAMEWORK

- (a) The implementation and deployment of CSR funds received by BIRAC will be governed by the **Internal CSR Committee** constituted by the Board of the Company. Such committee will act as the governing body for the CSR activities undertaken by BIRAC on behalf of others.
- (b) **Constitution of the Committee**

This Committee shall include the following members and shall be headed by the Managing Director of BIRAC:

1.	Managing Director	Chairman
2.	Director (Operations)	Member
3.	Director (Finance)	Member
4.	Company Secretary	Member
5.	Heads of Department (<i>as may be decided time to time by Board of the Company</i>)	Member

6	Additional Members (Internal/External) as and when required	Co-opted Member
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(c) **Role/Functions of the Committee** (Internal CSR Committee)

- i. The Committee would monitor/evaluate the progress of the activities of the CSR fund received.
- ii. The Committee will evaluate the proposed projects of the stakeholders and will govern/regulate the implementation and deployment of funds received.
- iii. The Committee will timely report to the Board of the Company regarding the funds received from the stakeholders, their utilisation, activities/projects in which the funds have been deployed by the Company and unutilized/unspent amount, if any.
- iv. The Committee will ensure end-to-end CSR services such as CSR Policy Formulation & Advisory, Need / Baseline Assessment, Project Conceptualization to field level Project Implementation, Monitoring, Evaluation, and CSR Reporting along with Audit and Impact Assessment.
- v. Any other matter as may be considered expedient in furtherance of deployment of funds received.

V. PROCEDURE FOR ACCEPTING FUNDS FROM STAKEHOLDERS AND DEPLOYMENT OF THE FUNDS

In order to regulate the implementation and deployment of funds following process would be followed:

(a) **Preliminary Scrutiny**

- Before accepting funds from any stakeholder, the Company will first do the initial **KYC(Know your Client) of the stakeholder**. For this the stakeholders, who wants to connect with the Company, will require to provide all the relevant details related to proposed CSR interest as prescribed in **“Annexure B”**.
- Further, BIRAC itself can approach to different stakeholders for acceptance of CSR funds by hosting its CSR related brochure on its website and sharing it with the stakeholders.

(b) **Project Evaluation, Funds requisition and Disbursements**

After satisfying with all the relevant details provided by the stakeholder, the Committee will proceed further towards project evaluation. **The foremost responsibility of the Committee is to identify a project that is feasible, impactful, sustainable and which is within the scope of the activities mentioned under Schedule VII of the Companies Act, 2013.**

The Committee shall perform the following activities for the implementation of the proposed CSR obligation of the stakeholder:

- Project Evaluation
- Formulation of Implementation Schedule

- Defining the responsibilities among the members of committee
- Need Assessment/Baseline Survey
- CSR programme documentation
- Deciding payment terms

A separate fund/account shall be maintained by the company for such receipt of CSR funds which would be subject to audit. The funds received shall be used as per the mandate under the CSR statutes and in accordance with the instructions of the stakeholders. The receipt of funds will be first monitored by the Internal CSR Committee of the BIRAC and afterwards it will be given to implementing division of BIRAC for disbursement.

(c) Periodical Progress Report

BIRAC will deploy the funds received from the stakeholders either on the Ongoing projects or Other than Ongoing Projects, as the case may be. **However, excluding activities undertaken in pursuance of the normal course of business of a company.** Further, Ongoing projects shall have the same meaning as assigned to it in the Companies Act, 2013 and rules made thereto, as amended from time to time.

In relation to Ongoing Projects, the **respective Project Division BIRAC** will prepare a periodical progress report Half yearly basis, during the implementation of the project / activities under CSR. Such periodical progress report after being approved by the committee will be tabled before the Board of Directors for information. The format of the said progress report has been annexed herewith as “**Annexure C**”.

After such approval, the said periodical progress report will also be provided to the concerned stakeholder till the full disbursement of funds of the stakeholder to the CSR activities.

(d) Final Comprehensive Completion Report

The Committee shall inform about the completion of the project/activity through a **Final Comprehensive Completion Report**. Such report will incorporate the scope of work met, benefits achieved, financial details along with the photographs, videos etc. The specimen of the Final Comprehensive Completion Report has been annexed herewith as “**Annexure D**”.

The said report shall be prepared by this implementing division of BIRAC and then will be shared for information to the Board of Directors of the Company.

**It is hereby clarified that the Final Comprehensive Completion Report will be provided in case of both Ongoing and Other than Ongoing projects.*

VI. INDEPENDENT AUDIT

In order to ensure the transparency, BIRAC can engage a independent professional in practice having knowledge of Corporate Social Responsibility for conducting an Independent Audit of the fund allocation and deployment done by the committee. Such person should have handled CSR activities or have the past experience of atleast 2 Years in dealing with the CSR initiatives.

The Board of the Company may delegate the power to Managing Director or Audit Committee to in consultation of the professional engaged for performing the said audit will formulate the scope, functioning, periodicity and methodology for conducting the audit. However, the major objectives, scope, functioning of the said audit will be as follows:

➤ **Objectives of Audit**

- To promote transparency and accountability in the implementation of the CSR assignments undertaken by BIRAC as an implementing agency.
- To secure involvement of the stakeholders in the CSR & Sustainability projects/ programmes.
- To provide a safeguard to all the stakeholders connecting with BIRAC
- To ensure the stakeholders that their funds are being deployed in the Society in an effective manner and with the scope of legal provisions.
- To develop an audit approach in BIRAC for the review and assurance of projects.

➤ **Scope of the Audit**

Such auditor will audit the whole CSR spending process done by the BIRAC as an implementing agency on behalf of the other stakeholders. Some of the major aspects of the audit will be as follows:

- To monitor the acceptance and deployment of funds received by BIRAC regarding CSR activities/Projects.
- To keep a check on each and every transaction made by BIRAC on behalf the Stakeholders whether in monetary terms or not.
- To examine, collect evidence, evaluate, and on this basis formulate an opinion on the adequacy of control within the activity being audited.
- To Report the Board of BIRAC findings made and overall rating of the audit.

➤ **Reporting**

The Auditor shall prepare and submit its final report to the Board of the Company on a yearly basis, within six (6) months from the closing of the Financial Year.

“Annexure A”

The activities that BIRAC may undertake as an implementing Agency is been divided in two parts and shall also be, within the ambit of the activities laid down in Schedule VII of Companies Act, 2013 (as amended from time to time) which has been notified and is reproduced as under:

PART A (to act as an implementing agency is to expand the critical BioNEST Incubation Centre Network by accepting CSR funds putting them in incubation activities across India in the biotechnology space)

- i. Strengthening the development and incubation of new and innovative technologies at technology incubators within academic, research organizations;
- ii. Creation of incubation centers harboring Common Tool Facilities that can be used to facilitate translation of prototypes to piloting stage for validation by providing infrastructure, expertise support;
- iii. Supporting entrepreneurship skills development especially for technology incubation/ advancement via start-ups, entrepreneurs including women entrepreneurs and social enterprises;
- iv. Supporting the stakeholders focused on innovation and entrepreneurship;
- v. Supporting the creation of specialized facilities for technology incubation and enhance the innovation system in academic organization

PART B (activities laid down in Schedule VII of Companies Act, 2013 (as amended from time to time))

- (i) 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;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) 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 art and handicrafts;

(vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

(viii) 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) Contribution 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; and

(b) 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 Defence 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).

(x) Rural development projects.

(xi) Slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

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

Note : All notifications and changes in schedule VII of the Companies Act 2013 shall Mutatis mutandis take effect in this Policy

KYC Format

S.No.	Particulars	Details
1.	Name of the Organisation/entity/Company:	
2.	Address (Corporate Office/Registered Office)	
3.	Proposed CSR Project: <i>(Briefly explain all the activities to be performed in the project)</i>	
4.	Background/Need of the project: <i>(Briefly explain what are the needs of the community)</i>	
5.	Preferred Location where CSR expenditure proposed to be done:	
7.	Contact (email and phone)	
8.	Name of the person who will be give the preliminary briefing of proposed CSR projects.	
9.	Assignments undertaken with BIRAC earlier for the CSR activities. <i>(Please provide the name of that project)</i>	
10.	Details of assignments undertaken through any other implementing Agency.	
11.	Details of the Bank Account or any other routing channel through which the funds will transferred to BIRAC for implementation.	
12.	Name of the NGOs, Societies or other implementing agencies with whom the stakeholder has undertaken or contributed to any CSR initiative.	
13.	List of below mentioned documents in case of INDIVIDUAL/INDIAN ENTITY (Specifically for KYC purpose) <ul style="list-style-type: none"> • Certificate of Incorporation • MOA and AOA of the Company • PAN and GST Certificate • Last Two years audited balance sheet • Identity and address proof of Authorized Signatory on behalf of the Company 	

16.	Below mentioned documents in relation to FOREIGN ENTITY/INDIVIDUAL (All documents needs to be notarized for identification purpose) <ul style="list-style-type: none">• Identity and Address proof• Registration certificate of foreign entity• Charter document of foreign entity• Balance sheet of foreign entity of last two years	
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“Annexure C”

(Format for Half yearly Project Progress Report on CSR Projects)

(Report for the Quarter beginning)

S.No.	Particulars	
1.	Name of the CSR Project	
2.	Name of the Stakeholder	
3.	Project Location(s)	
4.	Project Duration	
5.	Gestation Period of the CSR project	
6.	Project Cost	
7.	Compliance Clause with Schedule VII	
8.	Background of the CSR project	
9.	Objectives of the CSR Project	
10.	Outcomes/Deliverables to be achieved.	
11.	Outcomes/ Deliverables achieved.	
12.	Variance (if any)	
13.	Project estimated expenses (till date)	
14.	Actual spending on CSR	
15.	Snaps & Video clips (if any)	

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Name & Signature of the Authorised Signatory

Biotechnology Industry Research Assistance Council

(A Government of India Enterprise)

(Format Final Comprehensive Completion Report on CSR Projects)

Project/Programme Profile		
1.	Name of the CSR Project	
2.	Name of the Stakeholder	
3.	Project Location(s)	
4.	Funded Activity size Category	
5.	Expected Duration of the Project	
6.	Actual Duration of the Project	
7.	Project Initiation Date	
8.	Project Completion Date	
9.	Gestation Period of the CSR project	
10.	Project Cost	
11.	Compliance Clause with Schedule VII	
12.	Background of the CSR project	
13.	Objectives of the CSR Project	
14.	Outcomes/Deliverables to be achieved.	
15.	Outcomes/ Deliverables achieved.	
16.	Variance (if any)	
17.	Project estimated expenses.	
18.	Actual spending on CSR	
19.	Details of Progress Report (in Brief)	
20.	Snaps & Video clips (if any)	

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Name & Signature of the Authorised Signatory

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