

ICAR GUIDELINES

FOR UTILIZATION OF
CORPORATE SOCIAL RESPONSIBILITY (CSR)
FUNDS



INDIAN COUNCIL OF AGRICULTURAL RESEARCH
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ICAR Guidelines for utilization of Corporate Social Responsibility Funds 2020

The Indian Council of Agricultural Research (ICAR) is a Society registered under the Societies Registration Act, 1860, under the Department of Agricultural Research and Education (DARE), Ministry of Agriculture & Farmers' Welfare, Government of India. ICAR is charged with the responsibility in India to undertake research, education and extension in agriculture and allied areas. The ICAR has also entered into MoUs with private organizations and looks forward to working with Industries under Corporate Social Responsibility. To facilitate the ICAR institutes to seek financial support from Industries under Corporate Social Responsibility within the ambit of CSR Rules, 2014 notified under the Section 135 of the Companies Act, 2013 and under Sub Section 1 of Section 135, ICAR has developed a guideline, hereafter called as 'ICAR Guidelines for utilization of Corporate Social Responsibility Funds 2020'.

2. Mandate of ICAR

- 2.1 Plan, undertake, coordinate and promote research and technology development for sustainable agriculture.
- 2.2 Aid, impart and coordinate agricultural education to enable quality human resource development.
- 2.3 Undertake frontline extension for technology application, adoption, knowledge management and capacity development for agri-based rural development.

- 2.4 Formulate policy, cooperation and consultancy in agricultural research, education and extension.

3. Corporate Social Responsibility (CSR)

- 3.1 Ministry of Corporate Affairs, Government of India notified the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014. The 'CSR Rules' and other notifications related thereto make it mandatory (with effect from 1st April, 2014) for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provision relevant to Corporate Social Responsibility.
- 3.2 The CSR provides to spend 2% of average net profits (as per section 198 of the Companies Act, 2013) of last 3 years on CSR activities which are carried out for larger public goods, preferably in the local areas where they operate. The term 'Corporate Social Responsibility (CSR)' can be referred to as corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to companies efforts that go beyond what may be required by regulators or environmental protection groups.
- 3.3 The CSR can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.
- 3.4 The soul of CSR is that it should be utilized for the activities that have larger public benefits and especially to those who need the corporate hand holdings the most.
- 3.5 Agriculture being a primary source of livelihood to about 60% of the Indian households enjoys the privileged of being broad based and mass activity.

4. Guideline Statement

- 4.1 The ICAR Guidelines for utilization of CSR Funds 2020 aims at identifying research activities for attracting the CSR funds and facilitate the effective utilization of the obtained funds from the public as well as private companies /enterprises/industry/organizations having no conflicts of interest.
- 4.2 The funds received from the contributors will be utilized to carry out/enhance/augment various research and farmers outreach activities as per the provisions of MoU/MoA/Lol of ICAR and the Contributor(s); and Government of India guidelines on the subject from time to time.

5. Nature of Donations

- 5.1 Ministry of Corporate Affairs vide notification G.S.R 776 (E) dated 11-10-2019 amended the specific portions of Schedule VII of the Act to include " Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organization (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)"as as eligible to approved CSR funding modes mandated under Section 135 of the Act.

- 5.2 ICAR shall follow the provisions of the CSR Rules laid down by the Ministry of Corporate Affairs, Government of India from time to time under the Companies Act, 2013 and its amendments.
- 5.3 Contribution/donations under CSR reflects voluntary contribution and contributor(s) cannot prescribe any particular deliverable benefit or item or impose their area of interest in exchange from ICAR for contributions.

6. Admissible Activities under CSR

- 6.1 The Schedules VII of the Companies Act, 2013 provides an umbrella of the activities that can be taken up through CSR. The same could be further broken into specifics of Sciences and Technology and agricultural extension.
- 6.2 Fortunately, the Schedule does specify the Scientific Research and agricultural extension as an admissible activity. This activity also enjoys the exemptions under the Income Tax rules.
- 6.3 The provisions of the Schedule VII of Companies Act, 2013 and the mandate of ICAR have been analyzed.
- 6.4 The following areas may be considered under CSR activities.

Sr. No.	Activities	R&D Activities which can be supported under CSR*
1.	Eradicating extreme hunger and poverty	• Research and Agricultural Extension/Education Funding which help in enhancing availability, access and affordability of food item

Sr. No.	Activities	R&D Activities which can be supported under CSR*
		<ul style="list-style-type: none"> • Capacity building and income augmentation through skilling of farmers and scientists and other stakeholders • Seed and planting materials research which helps livelihood improvement • R&D for diversification of farm activities for higher income • Livelihood projects creating rainwater harvesting structures and maintenance of water bodies, etc.
2.	Promotion of education	<ul style="list-style-type: none"> • Infrastructure like class rooms, buildings, sports complexes, libraries, etc for higher agricultural education • Construction of Hostels, SC/ST/girls Hostels, • Modernization of Classrooms • Experiential Learning Centers, • Support for repair, extension etc. of auditorium and educational institutions
3.	Promoting gender equality and empowering women	<ul style="list-style-type: none"> • R&D for farm tools for women farmers • Capacity building of women farmers • Development of gender friendly farm equipments

Sr. No.	Activities	R&D Activities which can be supported under CSR*
4.	Reducing child mortality and improving maternal health	<ul style="list-style-type: none"> • Women farmers/trainees hostels in KVKs, • Women entrepreneur's training by KVKs • R&D projects on health foods; and biofortification of food crops • Awareness and capacity building of women farmers for homestead food like nutri-thali, nutrigarden • Food systems and product diversification • Establishment of centre of excellence on natural food products in tribal areas
5.	Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases	<ul style="list-style-type: none"> • Development of vaccines against viral diseases in livestock • Swachchata Initiatives in ICAR institutes and KVKs • Development of nutraceuticals from sea wastes/fish wastes
6.	Ensuring environmental sustainability	<ul style="list-style-type: none"> • R&D Projects on NRM, biodiversity • Sustainability, Climate Change Management, • Preservation and protection of flora & fauna, livestock and animal welfare, fish • Query Management and costal management

Sr. No.	Activities	R&D Activities which can be supported under CSR*
		<ul style="list-style-type: none"> • Agro forestry, carbon sequestration • Conservation of soil, water, forests, degraded lands, • Reclamation of problem soils, drought and flood management • Maintaining quality of soil, air & water • Development and promotion of model watersheds
7.	Employment enhancing vocational skills	<ul style="list-style-type: none"> • Training of trainers and farmers • Projects under Student READY, Farmers First, ARYA, • Support to Technical/ Vocational Institutions/ programmes for their self-development, training for agricultural experts
8.	Social business projects	<ul style="list-style-type: none"> • Rural and agriculture development projects • Development of jobs related to agro product i.e., Dairy/ Poultry/farming and others
9.	Fund technology incubators located within Central Universities	<ul style="list-style-type: none"> • Funding to Agri-Business Incubation (ABI) Center located in different deemed Universities and Central Agricultural Universities

Sr. No.	Activities	R&D Activities which can be supported under CSR*
10.	Such other matters as may be prescribed	<ul style="list-style-type: none"> <li data-bbox="751 338 1235 607">• Funds provided to the Agri-Business Incubation (ABI) Center located within ICAR institutions for upscaling technology and developing market linkages <li data-bbox="751 640 1235 819">• Income augmentation research such as secondary agriculture, and development of new products and protocols <li data-bbox="751 853 1235 1205">• Training of rural youth for self-employment; to provide assistance to villagers having small patch of land to develop agricultural farming to make them economically dependent on their available land resources

- This is only illustrative list and the exhaustive one. The activities under Schedule VII may be interpreted liberally for the projects of public good.

7. Framework:

- 7.1 In order to monitor and ensure transparency for proper utilization of funds as per Ministry of Corporate Affairs Guideline, A high powered ICAR-CSR Fund steering committee will be set up which will decide future course of action for implementation of the programmes under CSR fund received at ICAR. The tenure of the Committee will be for two years.

7.2 The composition of ICAR-CSR Fund Steering Committee

AS (DARE) & Secretary, ICAR	Chairman
AS &FA, ICAR/DARE or his representative (not below the rank of Director)	Member
Two DDGs (to be nominated by the Secretary, DARE & DG, ICAR)	Member
One representative from Agri-business related PSUs	Member
One representative each from FICCI and CII	Member
ADG, National Agricultural Science Fund	Convener

- 7.3 The Committee will be responsible for the administration of the fund for all policy decisions including the matters of finance and administration, required for efficient execution of the objectives of the fund towards achieving its vision.
- 7.4 The committee will examine the CSR proposals received to ensure that there is no conflict of interest with the donor organization. The quorum for such review meetings shall be minimum 5 members which will review the proposal before accepting the proposal received from donor firms/organizations.
- 7.5 Once the CSR funding is accepted, the Committee will call for proposals annually in the beginning of FY and recommended activities/invite proposals for which CSR online funding can be utilized.
- 7.6 The Committee will identify thematic areas for call for proposals. The committee suo-moto can also decide and recommended certain activities for utilization of funds received under CSR. Such recommendations will be submitted to Secretary, DARE & DG, ICAR for approval.

- 7.7 The committee will monitor the physical as well as financial progress of various schemes/activities undertaken under CSR by having periodic review.
- 7.8 The projects and activities to be carried out from the CSR funds will be uploaded on the ICAR website with complete details and updated regularly.
- 7.9 The committee will also suggestion-course corrections and make need-based modifications in Rules and Procedures while adhering to the guidelines. Such changes will be submitted to Secretary, DARE & DG, ICAR for approval.
- 7.10 The Committee will be serviced by NASF Unit for Secretarial works and management of funds.

8. Fund Management

- 8.1 The NASF Secretariat will handle the fund. The administration and finance supporting NASF will also be supporting the ICAR-CSR Fund.
- 8.2 A separate interest-bearing bank account in a nationalized/scheduled bank will be maintained to keep record of all receipts received under CSR activities. The fund contributed by the corporate sectors for the specific projects of ICAR Institutes shall be maintained by the ICAR-institutes in a separate bank account as per GFR rules.
- 8.3 Any earning from this fund in terms of interest earned or revenue generated will be ploughed back to this fund. The fund will be spent based on the process laid by the 'ICAR CSR Steering Committee'.
- 8.4 All Receipts/payments done under CSR will be done strictly as per provisions of GFR, 2017 as amended from time to time and same will be subjected to internal

audit/CAG Audit/ audit by a recognized Chattered Accountant. A separate expenditure statement w.r.t. expenditure incurred on CSR related activities shall also be maintained.

- 8.5 A subcommittee comprising of 3 members will be formed at ICAR in order to avoid mis-utilization of funds and exploring various investment avenues as per GoI rules and regulations.
- 8.6 The credentials of the Company shall be kept in view while accepting the CSR funds. ICAR will accept the CSR contributions from the companies having compliance with CSR norms/guidelines of M/o Corporate affairs, GOI.
- 8.7 ICAR shall ensure that there is no conflict of interest with the donor organization i.e., a person/organization should not be in a position to derive personal benefit from actions or decisions made in their official capacity.
- 8.8 Usual basis of accounting will be followed for contributions by which revenue, expenses, assets and liabilities are reflected in the accounts in the period in which they accrue.
- 8.9 Approval of Competent Authority at ICAR should be ensured at all the stages concerned.

9. Funding from ICAR CSR Fund

- 9.1 Governance and policy decisions regarding the CSR fund will be taken by the ICAR-CSR Fund Steering Committee.
- 9.2 The project proposals up to Rs. 25.0 lakhs will be finalized, approved and awarded by the Convener, CSR Secretariat. Such projects must be placed before the ICARCSR Steering Committee within 30 days of its approval for ratification ex-post facto.

- 9.3 Projects/Programme with a budget of more than Rs. 25.0 lakhs will be finalized and approved by ICAR-CSR Fund Committee.

10. Review Mechanism for CSR Funded Research Projects

- 10.1 Project approvals and review thereof will be in line with the established norms of ICAR.
- 10.2 An expert committee will review the projects submitted for CSR funding with appropriate authority having competence for approval of proposals.
- 10.3 Review mechanism of proposals received under CSR will remain the same as per ICAR main online project proposal mechanism.

11. Implementation of CSR projects

- 11.1 The investment from the ICAR CSR Fund will be project-based and for every project periodic mile stone should be finalized at the outset.
- 11.2 The project activities identified under ICAR CSR Fund are to be implemented by ICAR-institutes or specialized agencies found fit by the Expert Committees/ICAR CSR Steering Committee. Such specialized agencies would include:
- (i) Community based organization whether formal or informal;
 - (ii) Voluntary Agencies (NGOs)
 - (iii) Institutes/Academic Organizations;
 - (iv) Trusts, Mission etc.;
 - (v) Self-help groups; and
 - (vi) Government and Semi Government organizations.

11.3 While entering into/ or implementing any CSR activity, the followings must be adhered to strictly:

- (i) Any intellectual property developed/generated under ICAR-CSR activities shall be dealt by the set guidelines of ICAR/DARE.
- (ii) No part of the fund and/or activity shall be used for brand building and/or marketing the products or services of the corporate entity/company, group of companies (in case resources are pooled for a particular project)/donor agency directly or indirectly.

12. ICAR CSR Website

12.1 All the information about the ICAR CSR Fund, its guidelines, procedures and list of activities will be placed in the ICAR website.

13. Review of Guidelines

13.1 Based on the practical reality in implementation of the guidelines, required changes can be made with the approval of DG, ICAR which shall be ratified in the subsequent Governing Body meeting.