

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L74899DL1993GOI053677
Name of the Company	IFCI Limited (IFCI)
Registered address	IFCI Tower, 61 Nehru Place New Delhi-110019
Website	www.ificltd.com
E-mail id	complianceofficer@ificltd.com
Financial Year reported	2019-20
Sector(s) that the Company is engaged in (industrial activity code-wise)	64920 (Other credit granting services)
List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Financial Products (ii) Investment products (iii) Advisory services
Total number of locations where business activity is undertaken by the Company (i) Number of International Locations (ii) Number of National Locations	None 7 (As on March 31, 2020)
Markets served by the Company - Local/State/National/International	National

Section B: Financial Details of the Company (as on March 31, 2020)

Paid up Capital (INR)	₹1695.99 crore
Total Turnover (INR) (Revenue from Operations)	₹2245.57 crore
Total profit after taxes (INR)	₹(277.88) crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the FY 2019-20, an amount of ₹0.05 crore i.e. (0.018)% was spent by IFCI on CSR.
List of CSR activities in which expenditure has been incurred:	The details of CSR Activities undertaken during the year have been provided in the Annual Report on CSR activities forming part of Board's Report which include construction of orphanage and procurement of mobile medical van.

Section C: Other Details

PARTICULARS	Yes/No
Does the Company have any Subsidiary Company/Companies?	Yes
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Section D: BR Information

1. Details of Director responsible for BR

(a) Details of the Director responsible for implementation of the BR policies

A Sub-Committee of Directors had been formed in this regard. As on March 31, 2020, the Committee comprised of three (3) Directors viz., Dr. Emandi Sankara Rao, MD&CEO—Chairman of the Committee, Dr. B K Sinha and Prof. Arvind Sahay and one Secretary to the Committee viz. Shri Biswajit Banerjee, Executive Director.

(b) Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Shri Biswajit Banerjee
3.	Designation	Executive Director
4.	Telephone number	011- 41732000
5.	E-mail id	biswajit.banerjee@ificltd.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. Briefly, they are as under:

- P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 - Businesses should promote the well-being of all employees.
- P4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 - Businesses should respect and promote human rights.
- P6 - Businesses should respect, protect and make efforts to restore the environment.
- P7 - Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 - Businesses should support inclusive growth and equitable development.
- P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	Business Ethics/ Transparency And accountability	Product/Service Responsibility	Wellbeing of Employees	Stakeholder Engagement	Promote Human Rights	Respect, protect and restore Environment	Public Policy	Inclusive growth and equitable development	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	N	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	-	Y	-	Y	Y
3.	Does the policy conform to any national /international standards?	Y	Y	Y	Y	-	Y	-	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	-	Y	-	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	-	Y	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	#	Policy being an internal document is accessible to employees only	Policy being an internal document is accessible to employees only	#	-	Policy being an internal document is accessible to employees only	-	#	#
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	-	Y	-	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	-	Y	-	Y	Y
9.	Does the Company have a grievance Redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	-	Y	-	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

#The links to the relevant Policies are mentioned at the end of this Report.

2a. If answer to S.No. 1 against any principle, is 'No', please explain why:

(Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)					✓ [#]		✓ [#]		

IFCI being an NBFC, this principle is not applicable or has limited applicability. However, IFCI being a Government Company, has the responsibility to follow all the directions/ guidelines provided by Government of India in these regard.

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Business Responsibility Committee met once during the Financial Year 2019-20.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report for the Financial Year 2018-19 did not form part of the Annual Report for the Financial Year 2018-19, as the applicability of publishing the Business Responsibility Report was on Top 500 Listed Entities during the FY 2018-19 based on Market Capitalisation.

However, in view of the applicability of publishing the Business Responsibility Report on Top 1000 Listed Entities based on Market Capitalisation for the Financial Year 2019-20, the same will form part of the Annual Report and will also be hosted on the website of the Company at www.ifcilt.com.

Section E: Principle-wise performance

Principle 1

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, it extends to the Company only. The Company has in place a Code of Business Conduct and Ethics for IFCI's Board of Directors and Employees. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Board and the Employees by the Shareholders of the Company. The Board and Employees are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.

IFCI also has in place a vigilance manual for internal circulation and a Vigil Mechanism. The Vigil Mechanism aims to establish a mechanism to receive complaints relating to disclosure on any allegation of corruption or willful misuse of power or willful misuse of discretion by virtue of which demonstrable loss is caused to IFCI or demonstrable wrongful gain accrues to the public servant or to any third party, against any employee/ public servant and to inquire or cause an inquiry into such disclosure and to provide adequate safeguard against victimization of the person making such complaint subject to the disclosure or complaint being made in good faith and in reasonable time.

IFCI has also developed the Fair Practices Code (FPC) for its lending operations based on the RBI guidelines, which intends to provide assurance to all the borrowers of the Company's commitment to fair dealing and transparency in its business transactions.

Though the Policy relating to ethics, bribery and corruption do not specifically extend to Group/Joint Venture/Suppliers/Contractors/NGOs/Others, however an undertaking is obtained from successful bidders before awarding of contract that they have not indulged in any corruption. Hence applicability of this Principle may be taken as extended to this limit.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Company had received a total of 3093 complaints from the stakeholders of the Company during the FY 2019-20, out of which 99.99% were resolved by March 31, 2020.

Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

IFCI has financial products like Term Loan, Corporate Loan and Short Term Loan etc. for financing of renewable energy projects which are sustainable and environmentally benign. While sanctioning loans, IFCI stipulates conditions including environmental clearances viz., restriction on Borrower producing or consuming ozone depleting substances.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Not Applicable

- Does the company have procedures in place for sustainable sourcing (including transportation)?

Not applicable to the Company's main product. However, IFCI has a Centralised Procurement Policy (CPP) which has been prepared in line with latest GFR and Manual for Procurement of Goods and Services. IFCI is availing services of CPP Portal

(Central Public Procurement Portal) where vendors are registered as and when necessary empanelment of vendors is being carried out.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Not applicable to the Company's main product. However, the Company entails procurement of goods, works and services from ₹2.5 lakhs to ₹25.00 lakh and above by way of open and limited tender enquiry. MSME clause is incorporated in policy as well as clearly outlined in every tender enquiry being floated.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so?**

No.

Principle 3

1. **Please indicate the total number of employees.**

As on March 31, 2020 there were 215 permanent employees (excluding contract employees) in the Company.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis.**

No employee was hired on temporary/contractual/casual basis during the FY 2019-20.

3. **Please indicate the number of permanent women employees.**

As on March 31, 2020, there were 70 permanent women employees.

4. **Please indicate the number of permanent employees with disabilities.**

As on March 31, 2020, there were 2 differently abled employees.

5. **Do you have an employee association that is recognized by management?**

Yes.

6. **What percentage of your permanent employees is members of this recognized employee association?**

92.16% of the total permanent employees are members of the IFCI Officers Association as on March 31, 2020.

9.30% of the total permanent employees are members of the IFCI SC/ST Employees Welfare Association as on March 31, 2020.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No of complaints filed during the financial year 2019-20	No of complaints pending as on March 31, 2020
1.	Child labour/ forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	1	1
3.	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

77% of the employees were given safety and skill up-gradation training during the Financial Year 2019-20.

Principle 4

1. **Has the company mapped its internal and external stakeholders?**

Yes.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

All SC/ST/OBC/PWD employees are identified as disadvantaged, vulnerable & marginalized stakeholders.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

IFCI follows all Government of India Directives for engagement at various levels of career progression for all reserved category employees i.e. SC/ST/OBC/PWD and Minorities. IFCI has given representation to the reserved category employees by providing them with trainings before promotions at various grades as and when conducted and also by constantly engaging the SC/ST association for addressing the issues from time to time.

Further, IFCI is also the nodal agency for Credit Enhancement Guarantee Scheme to promote entrepreneurship amongst the Scheduled Castes and has been further entrusted with the responsibility of implementation of the scheme aimed at promoting entrepreneurship among Scheduled Caste beneficiaries.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

IFCI does not have any specific policy on human rights. All the employees are governed by IFCI Staff Regulations.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The company had received a total of 3093 complaints from the stakeholders of the Company during the FY 2019-20, out of which 99.99% were resolved by March 31, 2020. However, none of the complaints relates to Principle 5 of the Guidelines.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

Yes, the policy is embedded in Company's various policies and practices under CSR and covers the Company as a whole.

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

IFCI has promoted Renewable Energy by way of financing such projects across the Country with a view to address global environmental issues such as climate change, global warming etc. The Company extends financial assistance to Renewable projects including Solar, Wind and Hydro etc.

3. **Does the company identify and assess potential environmental risks?**

The above question is not applicable to the Company as it is not a manufacturing company. However, IFCI makes an effort to identify and assess potential environmental and social risks in the projects which are financed by IFCI.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?
No.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.

The Company has completed implementation of energy efficiency work i.e. Installation of LED Lights at its Corporate Office.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The above question has limited relevance to the Company as it is not a manufacturing Company. However, the Company complies with applicable environmental regulations in respect of the premises and operations.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on March 31, 2020.

NIL.

Principle 7

1. Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.

At present, IFCI is having membership of the following Business Chambers / Trade Association:-

- (i) Confederation of Indian Industry (CII) Northern, Western and Southern Region
- (ii) Associated Chambers of Commerce & Industry (ASSOCHAM)
- (iii) PHD Chambers of Commerce & Industry.
- (iv) Indian Banks' Association
- (v) India Infrastructure Publishing Pvt. Ltd.
- (vi) Indian Institute of Banking and Finance

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

IFCI supports the initiatives taken by above Associations in their endeavor for the advancement or improvement of public good.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company takes up programmes/initiatives/projects in pursuit of the principle of inclusive growth and equitable development in pursuance of its CSR Policy. Detailed information about the specified programme and initiatives undertaken during the financial year 2019-20 in pursuit of the CSR Policy has been given in 'Report on Corporate Social Responsibility Activities', which forms part of this Annual Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The company undertakes its CSR activities through its own foundation through a Trust by the name of "IFCI Social Foundation" (ISF). The investment in CSR activities are project based and for every project, time frame and periodic milestone are set at the outset.

3. Have you done any impact assessment of your initiative?

With regard to the impact assessment of the CSR initiatives undertaken by IFCI during the FY 2019-20, the same shall be

done after the projects are completed. ISF has empanelled 5 reputed agencies for impact assessment study for entrusting the assignments at appropriate time after completion of projects. ISF has awarded one project to impact assessment agency and the job is underway.

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

As the average Net Profit of IFCI Ltd. for preceeding 3 years was negative, IFCI was not required to allocate any amount for CSR activities for FY 2019-20, however, a token amount of ₹5 lakh was allocated and transferred to ISF for carrying out CSR activities on behalf of IFCI. ISF is carrying out CSR activities on behalf of IFCI and it's group companies through credible implementing agencies. Detailed information about the CSR activities undertaken during the financial year 2019-20 has been given in 'Report on Corporate Social Responsibility Activities', which forms part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

IFCI entrusts its CSR budget to the IFCI Social Foundation to ensure that the community development initiative is successfully adopted by the community for social inclusion. The projects sanctioned by IFCI Social Foundation in the FY 2019-20 are targeted towards community development and upliftment of the underprivileged and needy, targeting sustainability and bringing them in mainstream of the society. The focus has been on creation of physical social assets.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

A total of 22 cases were pending at the end of the Financial Year 2019-20. Hence, at the end of the year, 100% the customer complaints/consumer cases are pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on March 31, 2020. If so, provide details thereof, in about 50 words or so?

No such instance during FY 2019-20.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

In IFCI, for betterment of the products, proper feedback and improving delivering mechanism, customer meets are convened.

Annexure-1 to Business Responsibility Report

The links of relevant policies approved by the Board of Directors of the Company are given below:

Name of the Policy	Web-link
Fair Practice Code	www.ifcilt.com/?q=content/fair-practices-code
Code of Conduct	www.ifcilt.com/?q=content/code-conduct
Vigil Mechanism	www.ifcilt.com/?q=content/whistle-blower-policy
CSR Policy	www.ifcilt.com/?q=content/our-csr-policy

The other policies are internal documents and accessible only to employees of the organization.