

CORPORATE SOCIAL RESPONSIBILITY POLICY

Version 1.2

Reviewed by Board of Directors on July 18, 2018



India InfraDebt Limited

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1. Preamble

India Infradebt Limited (Infradebt) is committed to maintaining high standards of corporate social responsibility (CSR) in its business activities. The CSR refers to organisation's commitment to operate in such a manner that integrates economic, social and environment requirements into their activities.

This CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society with an approach to integrate the solutions to these problems to benefit the communities at large and create social and environmental impact.

2. Purpose

The key purpose of this policy is to:

1. define the kind of projects that will come under the ambit of CSR
2. define the CSR projects that will be undertaken by Infradebt
3. specify modalities of execution of such CSR projects
4. specify implementation schedule of the CSR projects
5. serve as guiding document to monitor the CSR projects
6. explain the manner in which the surpluses from CSR projects will be treated

3. CSR Activities

Infradebt will classify only those projects that are over and above the normal course of business.

The normal course of business of Infradebt is to refinance part of the existing debt of infrastructure projects based on public private partnership (or such other projects that may be permitted by the Reserve Bank of India from time to time) in accordance with applicable law.

Infradebt will undertake such CSR projects that are under the ambit of activities mentioned in Schedule VII of the Companies Act, 2013 and as amended from time to time. The activities mentioned in Schedule VII of the Companies Act, 2013 are given as Annexure. The CSR projects or activities that benefit only the employees of Infradebt and their families shall not be considered as CSR activities.

The implementation of Infradebt's CSR projects will be either through Infradebt personnel or through external implementing agency. Such external agency would be engaged after ascertaining the credibility of the agency and its track record in implementing projects. The entity shall generally have established track record of three years in implementing such projects. Infradebt will specify the CSR projects that may be undertaken by such external agency, the modalities of utilization of funds and the monitoring and reporting mechanism.

4. Governance

4.1 Board level committee

In terms of the provisions of Section 135(1) of the Companies Act, 2013, the Board of Infradebt at its meeting held on April 15, 2014 constituted the CSR Committee consisting of two independent directors and one nominee director. The CSR governance structure will be headed by the CSR Committee that will be responsible for the CSR projects undertaken. The CSR Committee will report to the Board of Directors of Infradebt.

The powers delegated to the CSR Committee are:

1. to formulate and recommend to the Board of Directors, the CSR Policy which shall indicate the activities to be undertaken by Infradebt as specified in Schedule VII of the Companies Act, 2013;
2. to recommend the amount of expenditure to be incurred on the activities referred to in clause 1 above;
3. to monitor the Corporate Social Responsibility Policy of Infradebt from time to time;
4. to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by Infradebt.

Infradebt personnel or the external agency will report to the CSR Committee on progress of all the CSR projects undertaken. The Board of Directors will review the progress of the CSR activities annually.

5. CSR expenditure [Clause 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules)]

The CSR expenditure will include all expenditure, direct and indirect, incurred by Infradebt on the CSR projects undertaken in accordance with the approved CSR Policy. Moreover, any surplus arising out of the CSR projects or activities shall not form part of the business profit of Infradebt.

6. CSR Reporting (Clause 8 of the CSR Rules)

The annual report on CSR activities will be included as a part of Board's Report, commencing from the financial year ending March 31, 2015. Such annual report on CSR activities will cover following information as prescribed in the CSR Rules:

- (a) Brief outline of the CSR Policy along with an overview of the CSR activities;
- (b) The composition of the CSR Committee;
- (c) Average net profit for the preceding three financial years;
- (d) Prescribed CSR expenditure;

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- (e) Details of amount spent during the financial year in prescribed format;
- (f) Amount unspent, if any, and reasons for not spending the amount;
- (g) Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy;
- (h) Such other information as may be prescribed.

Activities mentioned under Schedule VII of the Companies Act, 2013

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water: *(amended vide Ministry of Corporate Affairs Notification no. G.S.R. (E) dated October 24, 2014)*
- (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 Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga; *(amended vide Ministry of Corporate Affairs Notification no. G.S.R. (E) dated October 24, 2014)*
- (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 arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (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 any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects;
- (xi) slum area development *(inserted vide Ministry of Corporate Affairs Notification no. G.S.R. 568(E) dated August 6, 2014)*