

Annexure - I

Corporate Social Responsibility Policy

(I) Preamble :

- (1) The Challenge of Inclusive Growth : India’s “democratic dividend” of a young population, is an immense opportunity. A 5-6% growth curve has created an economy hungry for skilled manpower. It is estimated that incremental manpower requirement by 2022 would be 200 mn. However, only 25% of educated youth are “Ready to Deploy” as they lack the necessary domain, analytical, communication and life skills. If not skilled and provided jobs, this opportunity could become a social nightmare. Further, whilst the size of the economy has increased, large segments of the population - those below-the-poverty line (BPL), women, other select minorities and castes have till now, largely been bypassed - a challenge of social inclusion

- (2) In line with the IL&FS Group’s Policy, the IEDCL CSR policy is being designed with a belief that creating possibilities of economic inclusion powered by skilling and supporting livelihood creations, is the most effective way to manage challenges posed by poverty, inequality and unemployment in India

(II) The CSR Vision :

The IL&FS Group strongly believes that the infrastructure we are building and financing today will shape the communities of tomorrow. Accordingly, IEDCL, being part of the IL&FS Group, will endeavour to continually strengthen development multipliers of IL&FS projects through supporting interventions which lead to a sustainable and inclusive growth

This will primarily, entail, undertaking a variety of programs for enhancing economic activity and skilling, which will be supplemented with interventions to improve the quality of life of stakeholders in the project catchment areas. Employment and livelihood creation, Millennium Development Goals (MDG) and global concerns such as climate change will be considered as guides in setting up the CSR projects

(III) The focus areas of the CSR Activities :

In line with IL&FS Group's Policy, IEDCL's CSR activities will, inter-alia :

- (1) Support capacity building through skills based training programs with a focus on employment and entrepreneurship, functional literacy, financial literacy and inclusion
- (2) Follow a livelihood centered approach to holistic development of the target beneficiaries by undertaking context driven income generation activities
- (3) Support quality education including special education, and strengthening of education infrastructure
- (4) Support interventions in the area of healthcare and nutrition, safe and adequate drinking water, sports, environmental sustainability, ecological balance, natural resource protection and conservation disaster relief, any other form of rural development thereby enabling an improved quality of life and resource security in the catchment areas of its infrastructure projects.
- (5) Strengthen linkages of the community with existing government schemes and programs related to social infrastructure and help build and sustain community institutions
- (6) Conduct periodic impact assessment of the CSR projects
- (7) Undertake any other activity / initiative as directed by the CSR Committee, and within the purview of Schedule VII of the Companies Act 2013

(IV) Effective Date : This CSR Policy shall be effective from April 1, 2014

(V) Key Rules /Guidelines for the CSR Expenditure :

- (1) The prescribed CSR spend, as indicated in Section 135 of the Companies Act, 2013 is at 2% of the Average Profit Before Tax of the Company, duly adjusted for any dividend income received from companies, and any profits from Overseas Branches

- (2) The overall spend will be only on such interventions and programs whose impacts are both meaningful and measurable
 - (3) The selected projects need to adhere to the following guidelines :
 - (a) The Company will undertake CSR projects / programmes that are in conformity with Schedule VII of the Act;
 - (b) CSR Activities shall not include the activities undertaken in pursuance of normal course of business of the Company;
 - (c) Any surplus arising out of any of the CSR activities / programmes shall not form part of the business profits of the Company;
 - (d) Any activity for the exclusive benefit of the employees of the Company or their family members shall not be considered as a CSR activity;
 - (e) However, the Company may build CSR capacities of its own personnel as well as those of its Implementing Agencies but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in any one financial year
- (VI) **Disclosure of the Policy** : As per the Act, IEDCL is required to disclose the composition of the CSR Committee and its CSR Policy in the Company's Annual Report and on the website, if any. Further, the details of the CSR activities and programme taken up during the year will also be disclosed