

**CORPORATE SOCIAL RESPONSIBILITY**  
**POLICY**

**IL&FS INVESTMENT MANAGERS LIMITED**

(1) **Preamble** :

Corporate Social Responsibility (CSR) is based on the concept that corporate success and social welfare are interdependent. For the society to thrive businesses must create opportunities for philanthropy and sustainability. The Company too believes in making a positive difference to the society. Over the past few years the Company has been actively contributing to the social and economic development of the society through a few NGO's who focus on improvement of quality of education among children residing in slums and construction sites

(2) **CSR Vision statement and Objective** :

The Company's philosophy in documenting this policy is delineating its responsibility as a corporate citizen and laying down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. The Policy aims at inter alia nurturing socio-economic development schemes for capacity building, livelihood creation, quality education, empowerment of people, etc., with the primary goal of ensuring that benefits reach the targeted beneficiaries. The approach of the Company for implementation of the CSR activities will be oriented to identify and formulate projects in response to the need of society, devise transparent monitoring mechanism, and commit cent percent involvement to get desired results in a time bound manner

(3) **Scope** :

The Policy will apply to all corporate social responsibility activities or initiatives undertaken, developed and reviewed by the Company within the purview of Schedule VII of the Companies Act 2013, upon the recommendation of the CSR Committee and approval of the Board

As per the provisions of the Companies Act, 2013 activities which are undertaken in the pursuance of normal course of business or exclusively for the benefits of employees, direct or indirect political contribution, social activities undertaken outside the Country shall fall outside the purview of the this policy and will not be considered as CSR expenditure

(4) **CSR Committee** :

The Board of Directors at their meeting held on May 5, 2014 constituted the CSR Committee comprising of the following Directors :

- (a) Mr S M Datta
- (b) Mr Bansi Mehta
- (c) Mr Arun K Saha

Further, Mr S M Datta has been designated as the Chairman of the CSR Committee of the Company

The CSR Committee will meet at least two times a year and have been entrusted with following responsibilities :

- (a) Formulate and recommend to the Board of the Company the CSR Policy which shall indicate the CSR activities to be undertaken by the Company
- (b) Identify the focus areas for the CSR activities on a yearly basis and review the same on a periodic basis
- (c) Recommend the amount of expenditure on the activities referred to in (a) above
- (d) Monitor the CSR Policy of the Company from time to time
- (e) Institute a transparent monitoring mechanism for the implementation of the CSR agenda

(5) **CSR Activities** :

- (a) The Company will undertake specific CSR projects that are in conformity with Schedule VII of the Act
- (b) The Company shall not include any contribution of any amount, directly or indirectly, to any political party, under Section 182 of the Companies Act 2013, as a CSR activity. CSR Activities shall also 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) The Company has its office in Mumbai. However, given that the Company in the private equity fund management business and invests across India and in all sectors, the Company shall undertake CSR activities in Mumbai and also across the country
- (f) The Company may undertake CSR activity through a registered Trust or a registered Society or a Section 8 Company established by the Company or its holding or associate Company or through a third party Trust, Society or Section 8 Company, provided they have a track record of at least three years in undertaking similar programs or projects
- (g) The Company may also collaborate with other Companies for undertaking CSR activities provided that each Company can separately report on such program/projects

(6) **Operational Framework** :

The Company shall continue to support certain NGOs including the NGOs which it currently supports. In addition to above, Company shall engage Nalanda Foundation a Charitable Trust as its CSR implementation partner. Nalanda Foundation is established by Infrastructure Leasing & Financial Services Limited (IL&FS) for its group CSR activities. IL&FS and its Group Companies channelize their CSR initiatives through Nalanda. The Company shall implement its CSR policy through the Nalanda Foundation directly, or through development partners acting as programme managers, vendors, suppliers, service providers etc. engaged by Nalanda Foundation

The Company shall delegate the following to Nalanda Foundation :

- (a) To develop annual/periodic CSR action plans and budgets
- (b) To develop and appraise CSR proposals
- (c) To select appropriate development partners for implementation of the approved projects/programmes
- (d) To supervise, monitor and evaluate the various CSR interventions
- (e) To submit quarterly monitoring report to the CSR Committee along with recommendations for amendments if any, to the projects approved
- (f) To give complete support to periodic independent audit for compliance reporting
- (g) To engage competent independent agencies for the purpose of undertaking specific impact assessments to measure and report project/programme level development impacts on various stakeholders on completion of a CSR project/ programme

- (h) To report progress on and compliance with the CSR Policy and provisions of the CSR Rules

**(7) Approval Process :**

The Approval Process would be a two-stage process :

(a) Board Approval :

The list of such projects/programmes and corresponding budget outlays shall be approved by the Board on the recommendation of the CSR Committee. The Annual Plan for CSR shall be approved at the start of each financial year. Periodic reviews and/or modifications to the projects and allocations will be approved by the CSR Committee

(b) Delegated Authority :

Post approval of the Board and the Committee all actual expenditures/ payment for a specific project shall be approved by Chief Executive Officer. All such expenses will be placed before the next meeting of the Committee. Any actual expenditure in excess of the budgeted amounts will be based on a specific approval of the Committee

**(8) Effective Date :**

This CSR Policy shall be effective from April 1, 2014

**(9) CSR Expenditure :**

- (a) CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013

- (b) The Company shall strive to spend least 2% of the average Profit before tax of the Company for three preceding financial years, annually towards CSR activities
- (c) In event the Company fails to spend the amount as per (2) above, the Board of Directors shall specify the reasons for not spending such amount in the Directors' report of that financial year

**(10) Areas of CSR Intervention :**

**Proposed list of CSR projects**

<b>Sr. No.</b>	<b>CSR Project or Activity</b>	<b>Sector in which Programme or Project is covered</b>	<b>Item Under Schedule VII of CSR Rules</b>
(1)	Supporting Education of Underprivileged Children	Promoting Education	Item (ii)
(2)	Skills Development	Employment enhancing vocational skills	Item (ii)
(3)	Supporting Income Generation for women and marginalised sections in Urban Slums	Livelihood Enhancement & Promoting Education	Item (ii)
(4)	Entrepreneurship Programme	Employment enhancing vocational skills and Livelihood Enhancement	Item (ii)

**(11) Disclosure of the Policy :**

The composition of the CSR Committee, CSR Policy, significant CSR activities and achievements will be reported in the Company's Annual Report. The same shall also be displayed on the Company's website