

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**  
**IL&FS Education & Technology Services Limited**

(1) **Introduction:**

Corporate Social Responsibility (CSR) is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. IL&FS Education and Technology Services Limited (IL&FS Education) in India is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related Rules

(2) **Background and Objectives :** IL&FS EDUCATION aims at evolving CSR policies under a 'Public Private Community Partnership' framework with the following goals:

- (a) Attain strategic and long term partnership with community through education and vocational skills and livelihoods pursuant to Schedule VII read with Section 135 of the Companies Act 2013
- (b) Address social and environmental impact of businesses
- (c) Align with the company's vision
- (d) Make an impact investment
- (e) Nurture the interests of all stakeholders in the business
- (f) Projects which are sustainable, replicable, scalable & reliable

(3) **Focus Areas:**

- (a) To support capacity building through skills based training programs with a focus on employment and entrepreneurship
- (b) To support quality education through quality improvement of schools : The objective is to take up existing stressed schools which are providing education to the marginalized (Minorities, Economically disadvantaged, girls, socially backward etc) for holistic quality improvement focused on improving learning outcomes
- (c) Discretionary initiatives: In order to enable need based support to projects, it is also recommended to provide for a discretionary allocation towards such requirements.

(4) **Activities for Approval for FY 2015**

- (a) Skills Development : Support Skills scholarships under Nalanda Foundation
- (b) School improvement programme : 2 stressed schools have been identified (one in Delhi/ NCR and the other in Mumbai) under Educational trusts for minorities/ marginalized children
- (c) Discretionary initiatives : Following are recommended that could be taken up for FY 2015:

- (i) To use infrastructure in government schools to support life skills programmes through e-learning, specifically in Adolescent Health and Financial literacy, and/or
  - (ii) To support educational interventions under area development plan in Tiyulia, Uttar Pradesh in convergence with IL&FS CSR commitments
- (5) **Approval Process:** Whilst, in the normal case, approval would be taken for an Overall Plan at the start of each financial year, it is expected that in the initial years of the implementation of the CSR regime, periodic reviews and / or modifications to the Budgets may be required. Hence approval of CSR Committee is would be taken for any proposed expenditure to be incurred for CSR
- (6) **Key Rules /Guidelines for the CSR Expenditure :**
  - (a) 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
  - (b) The overall spend will be only on such interventions and programs whose impacts are both meaningful and measurable
  - (c) The selected projects need to adhere to the following guidelines :
    - (i) The Company will undertake CSR projects / programmes that are in conformity with Schedule VII of the Act;
    - (ii) CSR Activities shall not include the activities undertaken in pursuance of normal course of business of the Company;
    - (iii) Any surplus arising out of any of the CSR activities / programmes shall not form part of the business profits of the Company;
    - (iv) Any activity for the exclusive benefit of the employees of the Company or their family members shall not be considered as a CSR activity;
  - (d) 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
- (7) **Disclosure of the Policy:** As per the Act, IL&FS Education is required to disclose the composition of the CSR Committee and its CSR Policy in the Company's Annual Report and on the website. Further, the details of the CSR activities and programme taken up during the year will also be disclosed

(8) **Implementation**

To implement the Company's CSR Programmes through Nalanda Foundation or through Company personnel or through external implementing agencies or through Social Empowerment and Economic Development Society (SEEDS) directly, or through implementing agencies in the form of NGO's, service providers, vendors etc. (and/or other Trusts, Foundations and Section 8 companies that may be established by the Company from time to time). In such cases, the Company will specify the CSR Programmes which may be undertaken by those Trusts in accordance with their Objects and administrative and accounting processes laid down in the respective Trust Deeds/ Memoranda and Articles of Association.

(9) **Governance**

- (a) Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
- (b) The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
- (c) The persons/bodies to which the implementation is assigned will carry out such CSR Programmes within the specified budgets and timeframes and report back to the CSR Committee on the progress thereon at such frequency as the CSR Committee may direct.
- (d) The CSR Committee shall review the implementation of the CSR Programmes as and when required and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
- (e) At the end of every financial year, the CSR Committee will submit its report to the Board.

(10) **CSR Expenditure**

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure