

Vistra ITCL (India) Limited

(A Vistra Group Company)



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Vistra ITCL (India) Limited

{Formerly known as IL&FS Trust Company Limited}

CIN: U66020MH1995PLC095507

The IL&FS Financial Centre,

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Corporate Social Responsibility (CSR) Policy

(1) Introduction:

IL&FS Trust Company Limited (ITCL) is the largest independent Corporate Trustee in India, offering fiduciary and monitoring services. As a leading Trust company in India with two decades of strong presence in the Indian Trusteeship space, we are now part of the Vistra Group. This gives us access to a wealth of global resources and a network of over 60 offices across 40 countries worldwide. ITCL was formally a part of IL&FS Ltd, India's leading Infrastructure and Financial services Group.

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.

(2) Short Title & Applicability:

This Policy is titled as “ITCL CSR Policy” and it shall apply to all the CSR initiatives and activities undertaken by the Company for the benefit of the Society.

ITCL CSR policy has been prepared in accordance with Section 135 of the Companies Act 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014, as amended from time to time

(3) 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.

(4) Key focus areas of the CSR Activities:

ITCL shall undertake CSR activities in the following areas:

- (a) Support capacity building through skills based training programs with a focus on employment and entrepreneurship, functional literacy, financial literacy and inclusion,

- (b) Follow a livelihood centred approach to holistic development of the target beneficiaries by undertaking context driven income generation activities,
- (c) Support quality education including special education, and strengthening of education infrastructure,
- (d) 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,
- (e) Strengthen linkages of the community with existing government schemes and programs related to social infrastructure and help build and sustain community institutions,
- (f) Conduct periodic impact assessment of the CSR projects,
- (g) Undertake any other activity / initiative as directed by the CSR Committee, and within the purview of Schedule VII of the Companies Act 2013.

(5) Implementation:

ITCL CSR initiatives will be implemented under the guidance of Corporate Social Responsibility Committee (the “Committee”) of the Board of Directors of ITCL in the following manner:-

- (a) Directly or through a registered trust, society or company established by ITCL or its holding, subsidiary or associate company under Section 8 of the Act, or
- (b) Any other foundations, trusts, or a section 8 company (or erstwhile Section 25 Company) or any other form of entity with a track record of at least three years in carrying out activities in related areas. While engaging with partners, ITCL to evaluate the credentials of the implementing entity and seek relevant documents, information and details,
- (c) ITCL may also collaborate with other companies or institutions for undertaking, projects or programs for CSR activities.

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

- (1) The prescribed CSR spend, in every financial year, as indicated in Section 135 of the Act, is at least 2% of the average net profits of the company made during the three immediately preceding financial years, duly adjusted for any dividend income received from companies, and any profits from Overseas Branches, if any

- (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 pursuant 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) The CSR projects or programs or the activities undertaken in India shall only amount to CSR Expenditure
 - (e) Any activity for the exclusive benefit of the employees of the Company or their family members shall not be considered as a CSR activity;
 - (f) 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
- (4) In the event, the Company fails to spend the amount as per (1) above, the Board of Directors shall specify the reasons for not spending such amount in the Directors' Report of that particular financial year

(7) Funding, Selection & Monitoring Process:

The Company will receive requests for funding of projects throughout the year. Its internal working group will evaluate proposals received under the Company's focus areas and projects will be prioritized by assessing their impact. The Company will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve them for implementation at their discretion

The following procedure may be followed for monitoring and evaluation of CSR Projects:

- (a) The internal working group may visit and/or meet the representatives to assess the organization (as required),
- (b) Quarterly reporting on the progress in implementation of the projects/ programmes and utilization of the amounts, including financial monitoring.

- (c) The Company will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee periodically for their review,
- (d) Based on the above findings, CSR Committee will review the progress of the projects and appraise the Board of Directors on CSR progress from time to time,
- (e) CSR initiatives of the Company will also be reported in the Annual Report of the Company.

(8) Disclosure & Effective Date of the Policy:

The Company is required to disclose the composition of the CSR Committee and its CSR Policy in the Company's Annual Report and on its website. Further, the details of the CSR activities taken up during the year, CSR Budget & details of CSR expenditure during the financial year will also be disclosed in the Company's Annual Report.

This CSR Policy shall be effective from April 1, 2016.

(9) Miscellaneous:

Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines as may be issued by Government, from time to time

The Board may review the Policy from time to time and make suitable modifications, as may be necessary.