

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
IL&FS Skills Development Corporation Limited

(1) **IL&FS Skills CSR Vision:**

IL&FS Skills Development Corporation (IL&FS Skills) is India's largest vocational training company. The setting up of IL&FS Skills was triggered by the increasing demand of trained manpower for the jobs in various sectors. Working extensively with stakeholders such as – Government (Central and State), Private Companies (funder and employers), Foundations, International Bodies, Trainees and Parents - creating a vibrant mix of sponsored and self paid programmes with a singular objective of matching youth to jobs or self employment opportunities

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 Skills is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and applicable rules

(2) **The Focus Areas of the CSR Activities:**

- (a) To support quality education through quality improvement of schools with focus on existing stressed schools which are providing education to the marginalized minorities, economically disadvantaged, girls, socially backward classes etc
- (b) To provide financial support/aid directly or indirectly to economically disadvantages students either through scholarship programmes or tuition fees or funding of academic books/uniform etc
- (c) Strengthen linkages of the community with existing government schemes and programs related to social infrastructure and help build and sustain community institutions
- (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) Undertake any other activity / initiative as directed by the CSR Committee, and within the purview of Schedule VII of the Companies Act, 2013

(3) **Effective Date:** This CSR Policy shall be effective from 4th February, 2016

(4) **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 would be taken for any proposed expenditure to be incurred for CSR from time to time

(5) **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;
 - (v) One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorship of TV programmes etc shall not be considered as a CSR activity;

(vi) Contribution of any amount directly or indirectly to any political party 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 including expenditure on administrative overheads shall not exceed 5% of the total CSR expenditure of the Company in one financial year

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

(a) The Company shall disclose its CSR policy and its content on the website as required under the Act

(b) The Company will also report, in the prescribed format, the details of CSR initiatives and activities of the Company in the Board's Report

(7) **Implementation**

The Company may implement its CSR Programmes through Company's personnel or through external implementing agencies or a registered trust or a registered society such as Social Empowerment and Economic Development Society (SEEDS) etc, 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). Other than implementation through own personnel, the Company will specify the CSR Programmes which may be undertaken by these entities in accordance with their Objects and administrative and accounting processes laid down in the respective Trust Deeds/ Memorandum and Articles of Association

The Company may also collaborate with IL&FS Group companies for undertaking projects or programs under CSR activities in such a manner as the CSR Committee deem appropriate

(8) **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

(9) **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

Approved by the Board of Directors in its meeting held on February 04, 2016