

**IL&FS Tamil Nadu Power Company  
Limited**  
**Corporate Social Responsibility Policy**

## **Corporate Social Responsibility Policy**

### **I. Preamble:**

The ITPCL CSR policy is derived from IL&FS's policy and 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, IL&FS 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. ITPCL, being group Company of IL&FS believes in up liftment of standard of living of public around the project area at a large through improving the facilities like Health, education, infrastructure & employment.

### **III. The Focus areas of the CSR activities:**

ITPCL'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 centred 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. In case the Company has average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, impact assessment shall be undertaken through an independent agency, for the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- (7) Undertake any other activity / initiative as directed by the CSR Committee, and within the purview of Schedule VII of the Companies Act, 2013 to the extent applicable

#### **IV. Effective Date:**

This revised CSR Policy shall be effective from 1<sup>st</sup> April 2021.

#### **V. Key Rules/ Guidelines for the CSR Expenditure:**

- (1) The Company shall spend in every financial year, at least two per cent. of the average net profits of the Company made during the three immediately preceding financial years pursuant to Section 135 of the Act read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).
- (2) The overall spend will be only on such interventions and programs whose impact are both meaningful and measurable.
- (3) The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities
- (4) The Company will undertake CSR projects/programmes that are in conformity with Schedule VII of the Act;

It will not include:

- a) the activities undertaken in pursuance of normal course of business of the Company,
- b) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level
- c) contribution of any amount directly or indirectly to any political party under section 182 of the Act
- d) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019)

- e) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services
  - f) activities carried out for fulfilment of any other statutory obligations under any law in force in India
- (5) The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company
  - (6) Any unspent CSR amount or excess CSR amount shall be dealt with as provided in sub-section (5) & (6) of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII to the Companies Act, 2013, as amended from time to time. (an extract of relevant provisions enclosed as Annexure A)
  - (7) Any surplus arising out of any of the CSR activities / programmes shall not form part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.;
  - (8) 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 it has a track record of at least three years in undertaking similar programs or projects and has registered itself with the Central Government pursuant to the Act and CSR Rules.
  - (9) The Company may engage International Organisations (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014) for designing, monitoring, and evaluation of CSR Projects as well as capacity building of their personnel.
  - (10) The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect
  - (11) In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period
  - (12) The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by -

- a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) a public authority

## **VI. CSR Committee :**

The CSR Committee shall:

- (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 in areas or subject, specified in Schedule VII of the Act
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above
- (c) Monitor the Corporate Social Responsibility Policy of the Company from time to time
- (d) Action Plan : The CSR Committee shall formulate and recommend to the Board, an annual action plan which shall include the following, namely:
  - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - (ii) the manner of execution of such projects or programmes
  - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (iv) monitoring and reporting mechanism for the projects or programmes; and
  - (v) details of need and impact assessment, if any, for the projects undertaken by the company;
- (e) The CSR Committee may recommend to the Board alteration to Action plan based on the reasonable justification, at any time during the financial year

## **VII. Disclosure of the Policy:**

As per the Act, ITPCL is required to disclose the composition of 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.

**Annexure A**

**Provisions/Rules applicable in case of unspent CSR amount or excess CSR amount:**

**1. Sub-Section (5) of Section 135 of the Companies Act, 2013:**

The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.

Explanation.—For the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.

**2. Sub-Section (6) of Section 135 of the Companies Act, 2013:**

Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

**3. Sub-rule (2) of Rule 7 of Companies (Corporate Social Responsibility Policy) Rules, 2014:**

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

**4. Sub-rule (3) of Rule 7 of Companies (Corporate Social Responsibility Policy) Rules, 2014:**

Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- (ii) the Board of the company shall pass a resolution to that effect.

# **IL&FS Tamil Nadu Power Company Limited**

## **Composition of Corporate Social Responsibility (CSR) Committee**

The Board of Directors has constituted a Corporate Social Responsibility Committee pursuant to the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014

Presently, the Corporate Social Responsibility Committee comprises the following 3 (three) Directors:

- Mr. Feby Koshy Bin Koshy (Chairperson)
- Mr. Nand Kishore
- Mr. Kaushik Modak