

Corporate Social Responsibility Policy

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1 VISION

Infrastructure Development Corporation (Karnataka) Ltd. (iDeCK) has always endeavored to conduct its business responsibly, mindful of its social accountability and respecting applicable laws.

The 'headline' objective of iDeCK (the "Company") CSR policy is to ensure that CSR activities are not performed in silos and that it be skillfully and inextricably woven into the fabric of the Company's business strategy for overall value creation to all stakeholders.

iDeCK believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the society, preferably in the immediate vicinity in which the Company operates but at the same time ensure widespread spatial distribution of its CSR activities befitting its status as a conscientious corporate citizen. The CSR Policy intends to:

- a. Strive for economic development that positively impacts the society at large with minimal resource footprint
- b. Embrace responsibility for iDeCK's actions and encourage a positive impact through its activities

This policy shall apply to all CSR initiatives and activities undertaken/to be undertaken by iDeCK at various locations, within India :

- a. Directly, or
- b. through external agencies, Trust, Society, NGOs having the requisite track record of 3 years in the relevant project/programme.

2 APPLICABILITY

Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") requires iDeCK to spend on CSR.

iDeCK shall allocate at least 2% of its average net profits before taxes of the preceding three years, towards CSR activities to sustain and improve a healthy and prosperous environment and to improve the quality of life of the communities it serves. Any surpluses arising out of CSR projects or programmes or activities shall be re-

deployed back into CSR activities and will not form a part of the business profits of iDeCK.

3 CSR COMMITTEE

The CSR Committee of the Board of Directors (“Board”) would consist of 3 or more directors, out of which Government of Karnataka and IDFC Foundation shall have at least 1 director each.

4 RESPONSIBILITY OF CSR COMMITTEE

The CSR Committee, as mandated under Section 135 (3) of the Companies Act, 2013 shall –

- a. formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- b. recommend the amount of expenditure to be incurred on the activities referred to in (i) above;
- c. monitor the CSR Policy of the Company, from time to time;
- d. annually report to the Board, the status of the CSR activities and contributions made by the Company; and
- e. any other requirements mandated under the Act or Rules issued thereunder.

The Objects and the Role of the Company shall also be dependent on the extant provisions of the Act, the Rules and other applicable Regulations, as amended from time to time.

5 CSR ACTIVITIES

- a. Schedule VII lists out the activities which may be included:
 - i. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;

- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - iii. promoting gender equality, empowering women, setting up homes/hostels for women & orphans; setting up old age homes, day care centres & such other facilities for senior citizens and measures for reducing inequalities faced by socially & economically backward groups;
 - iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
 - v. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
 - vi. measures for the benefit of armed forces veterans, war widows and their dependents;
 - vii. training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
 - viii. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
 - ix. contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
 - x. rural development projects;
 - xi. slum area development and
 - xii. such other activities, as may be prescribed, from time to time.
- b. iDeCK's CSR activities would be in the form of well-defined programmes or projects. The projects would be conceptualized and designed based on a need identification exercise carried out in consultation with relevant stakeholders including government departments. Wherever required, a research study may be conducted to evaluate different feasible models/options. If it is felt necessary to ensure smooth implementation of projects, a team of iDeCK may work in close co-ordination with the relevant government departments of the State. The entire program/ project, including impact studies to assess fulfillment of project objectives and achievement of desired outcome would be carried out during/post implementation. The learnings can be shared with the government agencies/relevant stakeholders, so as to demonstrate replicable solutions.

- c. Every good program needs well defined guiding principles that serve as directions to the working group. These principles are important to have a focus in our approach, decision & implementation of projects. The principles as defined for our program are:
- i. Alignment to national initiatives and Focus Areas
 - ii. Interventions that are sustainable and scalable
 - iii. Initiatives where the impact created can be measured and reported
 - iv. Identification of partners for implementation and areas with proven experience of impact and change
 - v. Adjacency of the initiative to the business, it's competencies, capabilities and geographies of operation.

The above principles are used to shortlist the areas of work and the projects. This would require the organization to create competencies and capacity within the company, to implement, where appropriate, the CSR programmes.

- d. iDeCK's focus areas for developmental activities will be in urban as well as rural areas in the states in which it is located. The company may also support initiatives in other geographies, as approved by the CSR Committee of the Board, from time to time.
- e. iDeCK would primarily focus on CSR activities of the below areas, more particularly described in Annexure A
- f. The scope of the policy has been kept as wide as possible, so as to allow the Company to respond to different situations and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013.
- g. Restricted Activities - The Company shall not expend its CSR funds towards the following activities:
- i. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
 - ii. CSR Projects or activities that benefit only the employees of the Company and their families.
 - iii. No contribution to be made for any activities undertaken outside India. The surplus, if any arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company.

- iv. One off events such as Marathons/Awards/Charitable contributions/ Advertisement/Sponsorships of TV programmes etc.
- v. Expenses incurred by companies for fulfilment of any Act/Statute of regulations.
- vi. Contribution in kind cannot be monetized
- vii. Monetization of pro-bono services of employees.

6 COLLABORATION

The Company may undertake the CSR activities on its own or through a Trust/ Society/ Not for Profit Company. The Company may also undertake CSR activities through external agencies, NGOs having the requisite track record of 3 years in the relevant project/ programme and a report on the same shall be disclosed separately as may be prescribed from time to time under applicable provisions of Companies Act, 2013. The Company may collaborate for undertaking the CSR activities along with its group companies, including its eligible holding or subsidiary companies or any other companies outside the group, as the case may be.

7 AUDIT AND ACCOUNTS

A separate accounting for CSR related expense and receipts shall be maintained.

In case specified projects or programmes are to be undertaken through third party agencies the Company would need to specify the manner of accounting and tracking the expenditure incurred through third party agencies.

The amount spent on CSR by the Company will be subject to audit at such intervals, as may be required, from time to time.

8 MONITORING & EVALUATION MECHANISM

- a. The Board shall ensure activities as are included in its CSR Policy of the Company are undertaken by the Company.
- b. The CSR Committee shall monitor the CSR Policy of the Company from time to time.
- c. The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company which shall include the following :

- i. Release of funds for CSR Project/Programme: The amounts sanctioned for a CSR project or programme, will be released in stages or installments as per progress or, as may be determined from time to time.
- ii. Review by Board/CSR Committee: A senior resource/team of iDeCK shall closely monitor the CSR project and prepare monthly/ quarterly progress reports and present the same to the CSR Committee and the Board annually or at earlier intervals as may be directed by the CSR Committee/Board.
- iii. Utilization Certificate: Funds released to the implementing agency would be based on satisfactory utilization certificate duly certified by an authorised officer of the Implementing Agency.
- iv. External Agency assessment: The impact assessment/ evaluation of major projects may, if required, be carried out by an external agency to critically assess the fulfillment of project objectives.
- v. Audit: The amount spent on CSR by the Company will be subject to audit at such intervals, as may be required, from time to time.

9 TAX TREATMENT

Tax treatment of CSR spent will be in accordance with Income Tax Act, 1961, as amended from time to time and other applicable rules or circulars issued by the Central Board of Direct Taxes.

10 DISSEMINATION OF THE POLICY

The CSR Policy and programs will also be displayed on the website of iDeCK as per the format prescribed under the Rules.

This Policy may be amended, from time to time, by the Board on the recommendation of the CSR Committee.

ANNEXURE 1 : FOCUS AREAS

a. Environmental Sustainability

- i. Ecological sustainability
- ii. Promoting renewable source of energy
- iii. Conservation of natural resources and maintaining the quality of soil, air and water
- iv. Conserving biodiversity and supporting research, awareness and advocacy on issues related to biodiversity
- v. Promoting awareness about environmental issues like rain harvesting
- vi. Funding research projects at technology hubs for environmental and social sustainability.

b. Access of Drinking Water and Sanitation

- i. Making available safe drinking water
- ii. Access to sanitation
- iii. Supporting research, awareness and advocacy on issues related to sanitation

c. Health

To address issues around affordability and accessibility of quality healthcare and bring about improvement in awareness and health seeking behavior, enabling a better living, through initiatives such as:

- i. Primary, secondary and tertiary care facilities
- ii. Conducting need based health camps and providing consultation, medicines etc.
- iii. Working on maternal and child health
- iv. Using technology for training, competency evaluation and clinical decision support for medical professionals with a view to improve quality of healthcare
- v. Financial assistance to hospitals for providing free/concessional treatment to the Economic Weaker Sections (EWS) of the society.

d. Education

Promoting education including access to quality education, Skill development and vocational training

- i. Promoting early Child Care & Education, primary education, secondary education.
- ii. Promoting digital literacy programmes.

- iii. Providing basic amenities and improvement of infrastructure in schools.
- iv. Enabling higher education through merit cum means scholarships, including for differently abled across the country.
- v. Using sports as a tool for development of students in both urban and rural areas
- vi. Promoting higher education including setting up and supporting universities
- vii. Skill development and vocational training
- viii. Adult education programmes
- ix. Improving access to Education, by adopting night schools with a view to engage holistically through the entire cycle of mobilisation, infrastructure improvement and governance.

e. Rural Development

Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.

Rural development projects of building and maintaining community-based rural infrastructure like roads, bridges, culverts, drains, rural electrification, water infrastructure, community centres, youth clubs, etc.

f. National Heritage, Art and Culture

Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promoting and developing traditional arts and handicrafts.

g. Research & Studies

Research and Studies in all or any of the activities prescribed in Schedule VII.

h. Other Infrastructure

Other infrastructure that would meet the objectives of inclusion and environmental sustainability such as water supply, sanitation, renewable energy, slum area development and affordable housing.

i. Contribution

The CSR Committee could, from time to time, recommend donating or making grants to the PM's fund or funds set up the State Governments or to non-profit organizations and other institutions whose activities are aligned with the company's CSR.