

TAMIL NADU INFRASTRUCTURE FUND MANAGEMENT CORPORATION LIMITED

Corporate Social Responsibility Policy of Tamil Nadu Infrastructure Fund Management Corporation Limited

1. Objectives

This policy is called the “Tamil Nadu Infrastructure Fund Management Corporation Limited’s Corporate Social Responsibility Policy” (TNIFMC’s CSR Policy). TNIFMC Ltd is committed to do business by adding value to the community and society on a sustainable basis through responsible practices and good governance.

The objective CSR policy of the company is to encourage protection of environment for sustainable living and promote inclusive growth.

TNIFMC’s Corporate Social Responsibility Policy (hereby referred to as ‘The CSR Policy’) is developed in accordance with Section 135 of the Companies Act, 2013 and The Companies (Amendment) Act, 2017 (together referred to as ‘the Act’ hence forward), as notified by the Ministry of Corporate Affairs, Government of India. The Act mandates every company having net worth of INR 500 crore or more, or turnover of INR 1000 crore or more or a net profit of INR 5 crore or more during the immediately preceding financial year shall spend, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

TNIFMC will achieve this vision by supporting social development and environmental programs that are strategically linked to its business and create long-term and sustainable impact within the causes enlisted in Schedule VII of the Act, with a special focus on livelihood generation, community development in catchment areas and environmental protection.

2. Scope

This policy will be applicable to all projects/programs that come under the purview of TNIFMC’s CSR policy and is applicable to all employees of the company across all operations. The geographical scope of the policy extends to CSR programs and activities that are conducted only in India.

3. Governance Structure

The CSR Governance structure comprises of the Board and the CSR Committee. The Board of Directors will:

- i. Approve the CSR Policy of the Company
- ii. Ensure spend of 2% of profits
- iii. Disclose the content of the CSR Policy in its report and place the Policy on the Company’s website
- iv. Ensure that the programs undertaken are aligned to the CSR Policy of the Company
- v. Specify reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount

4. CSR Committee

The CSR Committee of the Board comprising of not less than three members constituted by the Board to do the following functions. The CSR Committee will:

- Recommend changes to the CSR policy if any, to the Board for approval
- Monitor and revise the Policy from time to time

- Recommend the amount of expenditure to be incurred on CSR program
- Identify programs that are to be implemented
- Identify suitable partners for implementation
- Constitute transparent monitoring and evaluation mechanism for ensuring implementation of CSR programs
- Avail the services of sector and domain experts to ensure the smooth implementation of CSR programs as and when required
- Provide periodic update and report of its activities to the Board of Directors, preferably every quarter
- Other activities as per the provisions of the Companies Act, 2013.

5. CSR Budget and Expenditure

TNIFMC will set aside 2% of its average net profits made during the 3 immediately preceding financial years as its annual CSR budget for the implementation of TNIFMC's CSR agenda and to achieve the stated aims and objectives. Only activities as outlined in the company's CSR policy will be applicable for CSR expenditure.

CSR expenditure shall include all expenditure for implementing CSR projects, programs and activities approved by the Board on the recommendations of the CSR Committee.

The unspent amount will be carried forward and utilized for implementing CSR projects, programs and activities. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company. If the company is unable to spend its CSR budget in a financial year, then it will disclose the reason in the annual/CSR report.

6. CSR activities

The Company will implement its CSR activities in accordance with Section 135 of the Companies Act, 2013 and the Rules notified thereon.

The Company's CSR activities will focus on the sectors and issues relating to the following:

- i. Promotion of education, special education, employment enhancing vocation skills especially among children, women, elderly and differently-abled and livelihood enhancement projects
- ii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air, water and
- iii. Activities relating to promotion of healthcare including preventive healthcare, sanitation & disaster management and Contributions to State Disaster Management Authority.
- iv. CSR support can be extended to different types of programs, ranging from infrastructure development, direct service delivery to underprivileged sections, raising awareness and influencing behaviours, building capacities of stakeholders, supporting relevant social and environmental research for public good etc.
- v. In addition, the Company will respond to the requirements within the purview of the Schedule VII of the Companies Act, 2013.

7. Modalities for implementation of projects and programs

The CSR activities shall be undertaken either directly by the Company or through registered trusts in accordance with Section 135 of the Companies Act, 2013 and the Rules notified thereon.

The Board of Directors of TNIFMC Ltd may decide to undertake CSR activities through a registered trust. In such case, the Company shall specify the projects or programs to be undertaken and the modalities for utilization of the funds on such project and programs and monitoring and reporting mechanism.

8. Monitoring and Evaluation (M&E) framework

The administration of the CSR Policy and the implementation of identified CSR projects, programs and activities shall be carried out under the overall superintendence and guidance of an internal monitoring group formed for this purpose from time to time.

The CSR expenditure will be closely monitored and funds shall be released against verified utilizations as per the approved work plans. The CSR expenditure will be accounted separately and audited.

CSR Committee will monitor the implementation of the CSR Policy through periodic reviews (on half-yearly basis) of the activities carried out under CSR Policy.

9. CSR Reporting

The CSR Committee shall prepare the annual CSR report containing particulars as specified in the Companies (Corporate Social Responsibility Policy) Rule, 2014 and recommend to the Board for approval.

10. Powers to revise/amend the CSR Policy

The effectiveness of the CSR policy will be monitored and reviewed by the Board to ensure the Company's continuing compliance with any relevant legislation and to identify areas in need of improvement.

The provisions of this CSR Policy would be subject to revision/amendment by the Board of Directors of the Company based on the recommendations of CSR committee. Any subsequent amendment to the Companies Act with respect to section 135 will apply to TNIFMC's CSR policy.

11. Publication

The CSR Policy framework will be displayed on the website of the Company. The Board will include in its Board report, a report on the CSR activities in the format specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014.