

Corporate Social Responsibility (CSR) Policy

India Debt Resolution Company Limited

1. Introduction

India Debt Resolution Company Limited (“IDRCL” or “the Company”) was incorporated under the Companies Act, 2013 on 3rd September, 2021.

Pursuant to Section 135 of the Companies Act, 2013 (“the Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”), IDRCL is required to:

- Constitute a CSR Committee of the Board,
- Formulate and adopt a CSR Policy, and
- Spend at least 2% of its average net profits of the preceding three financial years on CSR activities.

This Policy sets out the guiding framework for CSR initiatives of the Company, including the constitution, roles, and responsibilities of the CSR Committee.

2. Objectives

The objectives of this Policy are:

- To establish guiding principles for identifying, approving, and monitoring CSR projects in alignment with the Act and CSR Rules.
- To contribute to sustainable social and economic development through meaningful projects.
- To ensure compliance with statutory CSR requirements.

The Company may undertake CSR activities in areas covered under Schedule VII of the Act, including but not limited to:

- Rural development, promoting education, eradicating hunger, poverty and malnutrition, health care and sanitation, gender equality and women empowerment, employment enhancement and vocational skills, environmental sustainability, heritage protection, and disaster management.
- Contributions to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government for socio-economic development and welfare of SC/ST, OBC, minorities and women.
- Any other activity specified in Schedule VII of the Act or notified by the Government from time to time.

All CSR activities shall be undertaken in India and shall not be designed to benefit exclusively the Company's employees or their families.

3. Statutory Applicability

This Policy is prepared in accordance with:

- Section 135 of the Companies Act, 2013,
- The Companies (Corporate Social Responsibility Policy) Rules, 2014, and
- Relevant notifications/circulars issued by the Ministry of Corporate Affairs (MCA).

4. CSR Governance Framework

(a) Board of Directors

The Board shall:

- Approve the CSR Policy and disclose its contents in the Board's Report and on the Company's website.
- Approve the Annual Action Plan as recommended by the CSR Committee.
- Ensure statutory spending on CSR and compliance with provisions of the Act and CSR Rules.
- Monitor implementation of ongoing CSR projects and transfer of unspent CSR funds in accordance with law.

(b) CSR Committee of the Board

The CSR Committee is constituted pursuant to Section 135 of the Act. It shall consist of three or more Directors, out of which at least one shall be an Independent Director. The Chairperson of the Committee shall be appointed by the Board. The Company Secretary shall act as Secretary to the Committee. Composition of the CSR Committee is Mr. Narayan Keelveedhi Seshadri - Chairman, Mr. Arvind Sadashiv Mokashi - Member and Mr. Avinash Kulkarni - Member.

5. CSR Committee – Terms of Reference

(A) Policy & Planning

1. Formulate and recommend to the Board the CSR Policy indicating activities to be undertaken in line with Schedule VII of the Act.
2. Formulate and recommend to the Board an **Annual Action Plan**, including:
 - List of approved CSR projects/programs,
 - Manner of execution,

- Fund allocation and utilisation plan,
 - Implementation schedule,
 - Monitoring and reporting mechanism, and
 - Details of need and impact assessments, where applicable.
3. Recommend amendments to the CSR Policy or Annual Action Plan, if required.

(B) Implementation & Monitoring

4. Recommend the amount of expenditure to be incurred on CSR activities.
5. Oversee and monitor implementation of CSR activities in accordance with the CSR Policy and law.
6. Review and monitor utilisation of CSR funds, including certification by the Chief Financial Officer (CFO) or the person responsible for financial management.
7. Ensure that the Company endeavours to give preference to local areas around its operations.
8. Ensure CSR activities are carried out either directly by the Company or through eligible implementing agencies registered with MCA (Form CSR-1).

(C) Evaluation & Reporting

9. Review impact assessment reports (where applicable) and place the same before the Board.
10. Place before the Board, periodically, reports on CSR initiatives, progress, expenditure, and outcomes.
11. Ensure compliance with disclosure requirements in the Board's Report and on the Company's website as per law.

(D) Other Functions

12. Carry out such other functions as may be delegated by the Board from time to time.
13. Review this Charter and recommend changes to the Board for approval.

6. CSR Project Selection and Implementation

- CSR projects shall be selected from activities specified in Schedule VII of the Act.
- The Company shall endeavour to give preference to local areas around its operations.
- CSR projects may be implemented directly by the Company or through eligible implementing agencies.

- Collaboration with other companies for joint CSR projects is permitted, subject to separate reporting.
- Activities undertaken in the normal course of business, political contributions, activities benefitting exclusively employees and their families, and activities outside India (except training of Indian sportspersons) shall not qualify as CSR.

7. CSR Expenditure & Annual Action Plan

- The Company shall spend at least 2% of the average net profits of the three immediately preceding financial years on CSR activities.
- The CSR Committee shall recommend an Annual Action Plan to the Board, which may be modified during the year with proper justification.
- Unspent CSR amounts:
 - For ongoing projects: transferred to a special account (*Unspent CSR Account*) and utilised within the permissible time.
 - For other unspent amounts: transferred to a fund specified in Schedule VII within six months of financial year-end.
- The CFO/person responsible for financial management shall certify that CSR funds are utilised for purposes approved by the Board.

8. Monitoring & Reporting

- The CSR Committee shall monitor implementation of CSR projects and place periodic reports before the Board.
- The Board shall disclose details of CSR activities in its Annual Report in the prescribed format.
- The Company may engage external organisations for design, monitoring, evaluation, and impact assessment of CSR initiatives.

9. Regulatory References

- Companies Act, 2013
- Companies (Corporate Social Responsibility Policy) Rules, 2014

10. Policy Review

This Policy shall be reviewed by the Board as and when required, and at least once annually, to align with regulatory amendments or business needs.