

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

AF-TAAB INVESTMENT COMPANY LIMITED

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1.0 Preamble

Af-Taab Investment Company Limited (the Company) is a Non-banking Financial Company (NBFC) registered with the Reserve Bank of India. Incorporated on 21st February 1979 as a Private Limited Company, it became a Public Limited Company on 30th March 1979 by virtue of the provisions of Section 43A of the Companies Act, 1956. The Company is a wholly owned subsidiary of The Tata Power Company Limited (Tata Power).

The Company believes in integrating its business values and operations to meet the expectations of its stakeholders. Its CSR Vision and Mission is outlined on the basis of guiding philosophy with which Tata Power approaches its CSR. The strategic approach and choices to achieve its CSR vision has been defined. The choices outline the five key thrust areas where the Company will focus its CSR efforts and also the geographical focus in the immediate vicinity of its operations. There will be common alignment of CSR programs across all locations under these 5 thrust areas to ensure common focus and synergy in efforts. The Company may also consider undertaking or supporting CSR initiatives in alignment to 5 thrust areas and affirmative action on matters of national importance based on community need and exigencies including natural disasters, etc. Based on this thought process, the Company's CSR policy has been framed to drive planning, implementation and evaluation of initiatives and resources.

1.1 CSR Vision

The Company's CSR Vision is "To make Company the Neighbour of Choice of communities and earning the right to co-exist and co-create by working jointly for social well-being and improvement in quality of life."

1.2 CSR Mission

The Company's CSR Mission is to work with communities under 5 Thrust areas including (i) Education (ii) Health and sanitation (iii) Livelihood & Skill Building (iv) Water (v) Financial Inclusivity.

2.0 Corporate Social Responsibility Policy

The Company is committed to ensuring the social wellbeing of the communities in the vicinity of its business operations through Corporate Social Responsibility initiatives (CSR) in alignment with Tata Group Focus Initiatives.

The Company shall engage with the community by undertaking the following principles and activities:-

- Consult pro-actively with the community and other key stakeholders for understanding needs and designing initiatives for the social wellbeing of the community.
- Undertake activities as per 5 major thrust areas, which include:-
 1. Education
 2. Health and Sanitation
 3. Livelihood & Skill Building
 4. Financial Inclusivity
 5. Water (Drinking and Irrigation)

These thrust areas are mapped with the activities as suggested in the Schedule VII to the Companies Act.

- Facilitate assistance during natural disasters, *as appropriate*.
- Build and strengthen community institutions and stakeholder engagement
- Collaborate with Tata Group of Companies, Tata Trust, Other Corporate entities, Civil Society, Industry Associations and Government institutions, etc.
- Encourage its employees for volunteering (**ARPAN**).
- Undertake CSR initiatives with the aim that over time these become self-sustainable.
- Engage with disadvantaged sections of the community under Affirmative Action Policy.
- The CSR Committee of the Board will Monitor, Review and Evaluate CSR initiatives and expenses on a periodic basis as per the calculation of 2% of net profit based on financial statement and report and ensure that surplus, if any arising from CSR programs would not be utilized by the Company for normal course of business.
- Communicate the CSR activities to stakeholders as per the regulatory requirement.

Date: 15th July 2019


Kasturi Soundararajan
Director

Annexure I

Linkage between the Company's Corporate Social Responsibility Thrust Areas and Schedule VII

Major Activities Schedule VII Schedule VII, Section 135 of the Companies Act, 2013	Company's Thrust Area				
	Education	Health and Sanitation	Livelihood and Skill Building	Water	Financial Inclusivity
(i) eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water					
(ii) promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects					
(iii) promoting gender equality and empowering women; setting up homes and hostels for women and orphans, setting up old age homes, day care centres, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups					
(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water.					

(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of 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 recognized sports, and Paralympics sports and Olympic sports					
(viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;					
(ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government*					
(x) rural development projects					

*Will be decided by the CSR Committee/Board on case to case basis.

Note - Key Community Initiatives are given in Annexure II & Annexure VI respectively.

Annexure II

CSR Programs/Interventions along with Outcome Indicators

The CSR Programs/Interventions along with modality and schedule are given below:

Thrust Areas	CSR Program/Interventions	Reference Sr. No. of Schedule VII	Implementation Schedule			
			Q1	Q2	Q3	Q4
Education	Digital Learning-(E-VIDYA)	ii, iv	•	•	•	•
	Teacher Training (SHIKSHA SAARTHI)	ii, iv	•	•	•	•
	Academic Coaching (VIDYASAGAR)	ii, iv,	•	•	•	•
	Stakeholders Sensitization (PARICHAY)	ii, iv, vii	•	•	•	•
Health and Sanitation	Behavioural Change Communication on Health and Sanitation	i	•	•	•	•
	Integrated Community Health (MAMTA)	i	•	•	•	•
	Primary Health Services access	i		•	•	•
	Capacity building of stakeholders and service providers	i	•	•	•	•
Livelihood and Skill Building	Livelihood (Farm and Non Farm) for Farmers (SAMRIDDHI) and Fishermen	ii, iii, iv	•	•	•	•
	Skill Building for Youth and Women(DAKSH)	ii, iii, iv	•	•	•	•
	Micro-enterprise for Youth and Women (UDYAMEE)	ii, iii, iv	•	•	•	•
	Traditional Handicraft and Garment Making – (DHAAGA)	v	•	•	•	•
Water	Integrated Water Resource Management (AMRUTDHARA)	iv, x	•	•	•	•
	Drinking Water (SWAJAL)	i	•	•	•	•
Financial Inclusivity	Convergence with various state and central government schemes (ADHIKAAR)	i, ii, iii	•	•	•	•

The Company would implement its CSR Programs/Interventions through Tata Power Community Development Trust which would engage with organizations of repute in implementation or directly based on the nature of programs and geography.

Key Outcome Indicators

Focus Area	Key Performance Indicators
Education	% increase in Academic Performance in English, Maths, Science
	Boy Girl Ratio, Enrolment, Dropout %
Health and Sanitation	% improvement in Household Level access to sanitation at village level
	% reduction in footfall/morbidity rate
Livelihood and Skill Building	% increase in income level post training(youth/women)
	% trained youth placed
	% increase in Agri yield/ income
	% increase in income level at Household level
Water	% coverage of households under safe drinking water at village level
	% increase in ground water level and water availability round the year(months)
Financial Inclusivity	No of beneficiaries covered under all Govt Schemes
	Financial Resources Claimed by Eligible Community under Govt Schemes

Annexure III

Monitoring, Review and Evaluation

There are 3 levels of Monitoring and Review undertaken for CSR Initiatives:-

Level 1: Local reviews; dissemination of MIS and exception reports by Execution teams and by the Corporate Social Responsibility team respectively.

Level 2: Senior Leaders review on the progress, effectiveness; action plan and support required.

Level 3: Board Committee on CSR Review on periodic basis.

There are two kinds of evaluation undertaken:-

- **Internal Evaluation** - CR Team using Community Engagement Index and other tools on annual basis to assess the outcome.
- **External Evaluation** - It is also undertaken with reputed academic institutions/industry association/consultant/market research agencies once in 3 years to assess the overall impact on community.

Besides evaluation, the basis for engaging with community is, undertaking thorough socio-economic baselines studies to assess the community needs and priorities and align the community development programs, to meet the objectives. All divisions have to undertake baseline studies prior to developing programs and implementing programs within a defined geography in vicinity of operations (5-10 kms radius) in a phased manner.

Note - CSR Committee from time to time will further apprise the Board of Directors of the Company.

Budget: The budget would be based on atleast 2% of average net profit of previous 3 years.

Annexure IV

CSR Committee Composition of the Company

A Committee of the Board of Directors has been formed in pursuance of Section 135 of the Companies Act, 2013. The Company's CSR Committee comprises 3 Directors.

1. Mr. Kasturi S. Soundararajan (Non-Executive Director)
2. Mr. Pradip Roy (Non-Executive Director)
3. Mr. Jinendra V. Patil (Non-Executive Director)

Annexure V

Reporting Framework

1.	2.	3.	4.	5.	6.	7.	8.
S No	CSR project/activity	Sector	Project/programme 1. Local area/others 2. State district	Amount outlay (budget) project/programme wise	Amount spent by project/programme: 1. Direct 2. Over-heads	Cumulative spend up to reporting period	Amount spent direct/through implementing agency*
1.							
2.							
3.							

* Give details of implementing agency

Note: In case of a multi-company collaboration on CSR, each company will need to report separately on such projects or programmes

1. Outline of the Company's CSR Policy – overview of activities to be undertaken and weblink to Policy and projects or programmes.
2. Composition of the CSR Committee.
3. Average net profit for the past 3 financial years.
4. Prescribed CSR Expenditure i.e. 2% of 3 above.
5. Financial year spend:
 1. Total to be spent.
 2. Amount unspent if any
 3. Details of spend in table
6. In case of underspend, reasons.
7. Responsibility statement of CSR Committee that policy, implementation and monitoring complies with the CSR objectives in letter and spirit.
8. Signature of CEO/MD/Director.

Annexure VI: Geography

The focus of Company's CSR efforts is in the immediate vicinity of its operations. The geographical focus (radius) for each project/operating station is broadly in the 5-10 km range based on factors such as population density, level of development, etc. While CSR efforts in areas beyond its operations is feasible and will be undertaken in special situations (such as in the case of natural disasters, etc), the priority will be on maintaining a geographical focus in the vicinity of operations. The rationale for defining the radius upto 10 kms is based on the key communities based in the neighbourhood of business entities which is mutually influential to the communities. In case of key communities residing beyond immediate neighbour which may be impacted, they may also be considered through a proper process of community identification.

Project/Station Name	Geographical Focus (Radius)	Population Density	Level of Development

1. To ensure that the CSR efforts are focused on the immediate vicinity of the operations.

2. To ensure that the CSR efforts are mutually influential to the communities.

3. To ensure that the CSR efforts are in the neighbourhood of business entities.

4. To ensure that the CSR efforts are in the vicinity of operations.

5. To ensure that the CSR efforts are in the vicinity of operations.

6. To ensure that the CSR efforts are in the vicinity of operations.

7. To ensure that the CSR efforts are in the vicinity of operations.

8. To ensure that the CSR efforts are in the vicinity of operations.

9. To ensure that the CSR efforts are in the vicinity of operations.

10. To ensure that the CSR efforts are in the vicinity of operations.