

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to section 135(4) of the Companies Act, 2013 and rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

Your company has formed a CSR policy for the F Y 2015-16 as recommended by the CSR committee and subsequently approved in the Board of Directors meeting held on May 26, 2015. The said CSR Policy is based on the Infrastructure Leasing and Financial Services Limited ("IL&FS") group guidelines, holding company of the Company

Social Inclusion Group ("SIG") established by IL&FS is focused on CSR initiatives as a dedicated multidisciplinary professional team to develop, implement and measure impacts of various socio economic development projects undertaken by IL&FS Group. The SIG is implementing the CSR activities of Nalanda Foundation. IL&FS is the trustee of Nalanda Foundation and it has track record of more than 10 years in undertaking activities in education and other CSR related activities.

Your company proposes to incur major part of its CSR expenditure fund for skill development and training of deserving candidates in line with overall IL&FS corporate philosophy through SIG and Nalanda Foundation. Rest of the CSR expenditure (discretionary) will be in the line with the company's CSR policy and framework in compliance with the provisions of the Companies Act, 2013

2. The present composition of the CSR committee;

- | | |
|----------------------|--|
| 1) Mr. Alok Bhargava | Chairman, Non-Executive and Nominee Director |
| 2) Mr. Prem Saigal | Member, Executive Director |
| 3) Mr. R Ganapathi | Member, Independent Director |
| 4) Mr. G Mahesh Babu | Member, Non –Executive and Nominee Director |

3. Average net profit of the company for last three financial years for the purpose of computation of CSR;

INR 183,000,000.00 (Rupees One Hundred Eighty Three Million (approx.) only)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above);

INR 3,650,000.00 (Rupees Three Million Six Hundred Fifty Thousand (approx.) only)

5. Details of CSR spent during the financial year – NIL

- 6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The Company could not spend any amount on CSR activities for the FY 2014-15, since the company was under process to draft the CSR policy as per IL&FS group guidelines and hence, CSR Budget was also not approved. However, the Company has now finalized, the CSR Policy, as well as the CSR budget and CSR expenditure for the FY 2015-16, the details whereof would be reported in the next report

- 7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are/would be in compliance with CSR objectives and policy of the Company

(Signature)

Mr. Durga Prasad Y

Chief Executive Officer

(Signature)

Mr. Alok Bhargava

Non-Executive and Nominee Director &

Chairman, CSR Committee