

DELHI INTERNATIONAL AIRPORT LIMITED (DIAL)
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PREAMBLE:

The Ministry of Corporate Affairs has enacted the Companies Act, 2013 replacing the old law Companies Act, 1956, regulating the Companies in India.

As per the Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 crore or more or turnover of Rs. 1000 crore or more or a Net Profit of Rs. 5 crore or more during the immediately preceding Financial Year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board.

However, if CSR obligation does not exceed Rs. 50 lakhs, in any year, the functions of CSR Committee during that year may be discharged by the Board of Directors of the Company.

The Section also requires to formulate a CSR Policy, which shall indicate the activities to be undertaken by the Companies as specified in Schedule VII of the Companies Act, 2013.

Further, the section also requires that the Board of Directors shall ensure that the company spends, 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.

DIAL - CSR has been working with the communities neighboring Indira Gandhi International (IGI) airport in Mehramnagar East and Mehramnagar West since June 2006. In January 2007, the activities were extended to Savda Ghevra, the resettlement colony where illegal encroachments from Airport land were rehabilitated. The CSR team is working with approximately 20,000 members in these three areas. The key thrust areas are (i) Education; (ii) Health, Hygiene & Sanitation; (iii) Empowerment, Livelihoods and Community Development.

Implementation of various activities under these three verticals is being carried out directly by DIAL CSR with the professional support of GMR Varalakshmi Foundation from planning to execution.

In the above background and as mandated by provisions of the Companies Act, 2013, the following is the CSR Policy of DIAL.

BACKGROUND OF GMRVF:

About GMR Varalakshmi Foundation:

GMR Varalakshmi Foundation (GMRVF) is the Corporate Social Responsibility arm of the GMR Group. Its mandate is to develop social infrastructure and enhance the quality of lives of communities, especially those around the locations where the Group has a presence. Its Vision is to make sustainable impact on the human development of underserved communities through initiatives in education, health and livelihoods.

GMRVF is a Section 8 (not-for-profit) company registered under Section 12A and 80G of the Income Tax Act, 1961 and with requisite track record as required under the Companies Act, 2013, read with the applicable Rules. It is governed by a Board chaired by the Group Chairman, GMR Group. It has its own professional staff drawn from top educational and social work institutions. GMRVF has been in existence for nearly two decades.

GMRVF is organized in three wings: the Education Wing sets up and runs quality educational institutions, from pre-school to post-graduate level, towards making quality education accessible to all sections of the community, specially in under-served areas; the Health Wing sets up and runs healthcare establishments to provide quality healthcare in under-served areas; the Community Services Wing works with underprivileged communities to enhance their lives and livelihoods. The Community Services Wing has a staff of about 100 qualified and experienced social work professionals.

CORPORATE SOCIAL RESPONSIBILITY POLICY:

Delhi International Airport Limited (the Company) forming part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations.

The Company is driven by Group's vision to make a difference, specifically to society by contributing to the economic development of the country and improving the quality of life of the local communities. Towards this vision, the Company, through GMR Varalakshmi Foundation (GMRVF), help partners with the communities around the businesses to drive various initiatives in the areas of (i) Education, (ii) Health, Hygiene and sanitation, (iii) Empowerment Livelihood and Community Development.

GUIDING PRINCIPLES FOR SELECTION & IMPLEMENTATION OF PROJECTS/ PROGRAMS UNDER CSR POLICY:

The Company will carry out its CSR activities on its own, or contribute funds to GMRVF or any other eligible implementing agency, to carry on activities / multiyear projects or programmes indicated below. While the geographic focus of the CSR activities can be in and around the business operational area, the company can support activities in any part of India with the approval of the CSR Committee and Board, or as per the Annual Action Plan.

i) Education:

- Support for promotion of education of all kinds (school education, technical, higher, vocational and adult education), to all ages and in various forms, with a focus on vulnerable and under-privileged;
- Education for girl child and the underprivileged by providing appropriate infrastructure and groom them as future citizens and contributing members of society;

ii) Health, Hygiene and Sanitation:

- Ambulance services, mobile medical units, health awareness programmes and camps, medical check-ups, HIV/AIDS awareness initiatives, health care facilities and services, sanitation facilities;
- Eradicating hunger, poverty and malnutrition, promotion of preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation, and making available safe drinking water;
- Reducing child mortality and improving maternal health;

iii) Empowerment & Livelihoods and Community Development:

- Employment enhancing vocational skills training, marketing support and other initiatives for youth, women, elderly, rural population and the differently abled, and livelihood enhancement projects;

- promoting gender equality, empowering women, working for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Assist in skill development by providing direction and technical expertise for empowerment;
- Encouraging youth and children to form clubs and participate in community development activities such as like cleanliness drives, plantation drives etc;

iv) Environmental sustainability:

- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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) Heritage and Culture:

- 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) Benefit to Armed Forces:

- Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

vii) Sports :

- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

viii) Contribution to Funds set up by Government:

- Prime Minister's National Relief Fund, PM CARES Fund other fund set up by the Central Government for socio-economic development.

ix) Contribution towards Technology

- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

x) Rural Development

Rural development projects;

xi) Slum area development;

Explanation: 'Slum Area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

xii) Disaster management, including relief, rehabilitation and reconstruction activities.

xiii) Such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by CSR Committee from time to time, which are not expressly prohibited.

It may be noted that the above activities are indicative and are activities that the company may at any point of time engages but all such activities may not be taken up by the Company during the year. While the activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act 2013, the entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the amended Schedule VII of the Act, are broad-based and are intended to cover a wide range of activities.

The expenditure incurred for the following activities shall not be treated as CSR activity by the Company

- Activities undertaken in pursuance of the normal course of business;
- Activities undertaken outside India; (*except for training of Indian sports personnel representing any state or union territory at national level or India at international level*)
- Activities that benefit exclusively the employees of the company;
- Contribution to political parties

- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.)

SURPLUS FROM CSR ACTIVITIES:

Any surplus arising out of the CSR activity shall:

- ✓ Not form part of business profits of the Company,
- ✓ Should be ploughed back into the same project from which it has generated or shall be transferred to Unspent CSR Account of the Company, maintained separately for such surplus,
- ✓ Should be spent within 3 years from the date of such transfer to the Unspent CSR Account or transfer to a Fund specified in Schedule VII within a period of 6 months from the expiry of the financial year as decided by the CSR Committee and as per the Annual Action plan of the company,
- ✓ Should not form part of Excess amount available for set-off with CSR obligation in immediately succeeding financial years.

MONITORING OF CSR ACTIVITIES:

At the beginning of each financial year, the CSR Committee of the Board will prepare a list of CSR Projects/ Activities/ Programmes which the Company proposes to undertake during the financial year, specifying the modalities of execution in the areas/sectors chosen with implementation schedules for approval of the Board.

The CSR Committee of the Board will devised a mechanism for various CSR Projects / Programs / Activities undertaken by the Company including conduct of impact studies of CSR Projects / Programs on a periodic basis, through independent third party agencies according to the CSR Rules.

The CSR Committee will convene a meeting at least once every year to approve and review the progress of CSR projects and monitor, review and evaluate the operations of the CSR Programmes at such frequency as it may deem fit to ensure orderly and efficient implementation of the CSR Programmes in accordance with the CSR Policy. In order to ensure transparency and communication with all stakeholders, the CSR Policy will be uploaded on the Company website so that it is available in the public domain.

ANNUAL ACTION PLAN:

The CSR activities can be undertaken either specific for one year or can undertake multi-year projects. The Committee every year will recommend an Annual Action Plan to the Board. This Annual Action plan with detail the following:

- (a) The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- (b) The manner of execution of such projects or programs.
- (c) The modalities of utilization of funds and implementation schedules for the projects or programs.
- (d) Monitoring and reporting mechanism for the projects or programs.
- (e) Details of need and impact assessment, if any, for the projects undertaken by the company: Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

AMENDMENT:

Any amendment or modification in the Companies Act, 2013 and any other applicable regulations relating to the CSR Policy shall automatically be applicable to the Company.
