



GMR AIRPORTS LIMITED
(FORMERLY GMR AIRPORTS INFRASTRUCTURE LIMITED)

**CORPORATE SOCIAL RESPONSIBILITY (CSR)
POLICY**

Preamble

GMR Airports Limited (formerly GMR Airports Infrastructure Limited) (the 'Company'), a part of GMR Group has adopted the CSR Policy of GMR Group. GMR Group (the Group) recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required for 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 the 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 intends to support corporate social responsibility initiatives across the country on its own, or contribute funds to GMR Varalakshmi Foundation (a Section 8 Company registered under Section 12A and 80G of the Income Tax Act, 1961 and with requisite period track record as required under the Companies Act, 2013, read with the applicable Rules (**implementing partner**) or any other eligible implementing agency, to carry on activities / multiyear projects or programmes indicated below.

Definitions

1. **Act** means the Companies Act, 2013
2. **Administrative overheads** mean the expenses incurred by the company for general management and administration of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme
3. **CSR Committee** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act
4. **Net profit** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: –
 - (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.
5. **Ongoing Project** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

6. **CSR Activities** means such programs and projects as may be approved by the Board in terms of this CSR Policy.
7. **CSR Rules** means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
8. **CSR Expenditure means** the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
9. **Schedule VII** shall mean the Schedule VII as prescribed under Companies Act, 2013 read with circulars/ notifications issued by Ministry of Corporate Affairs in this regard.

Applicability:

In case the Company had a net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year, the provisions of Section 135 and this policy shall become applicable.

However, if in any subsequent years the Company does not fall under above criteria but any amount is lying in the Unspent Corporate Social Responsibility Account as per section 135(6) of the Act, the Corporate Social Responsibility Committee shall remain constituted and the Company shall comply with the provisions contained in Section 135 (2) to (6) of the Act.

CSR Committee:

The Company shall constitute a Corporate Social Responsibility Committee (“Committee”) of the Board of Directors of the Company.

The Committee shall consist of at least three directors, out of which at least one director shall be an independent director.

Where the amount to be spent by a company under section 135(5) of the Act does not exceed fifty lakh rupees, the requirement of constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall, in such cases, be discharged by the Board of Directors of such company.

Role of CSR Committee:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;

(b) recommend the amount of expenditure to be incurred, if any, on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

Scope and Coverage of CSR Activities:

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.

In continuance to the community development initiatives being undertaken by the Company and in pursuance of the requirements of the Companies Act, 2013, the Company as part of its CSR initiatives proposes to engage and work on the following areas (***with a special focus to geographical locations in India where GMR Group has presence***), herein after referred to as the **CSR Policy**:

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 under-privileged 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 Swachh 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:

- 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.

iv) Community Development:

- Encouraging youth and children to form clubs and participate in community development activities such as cleanliness drives, plantation drives etc.

v) Environmental Sustainability:

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, 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.

vi) 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;

vii) 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;

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

ix) 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 funds for the welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;

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

xi) Other rural development projects;

xii) 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.

xiii) disaster management, including relief, rehabilitation and reconstruction activities.

xiv) Such other activities included in Schedule VII 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 fulfilment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.)

Resources allocation for CSR and limits on administrative overheads:

The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act, the Rules and the CSR Policy.

The Administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

Implementation of CSR Activities

The company may implement CSR activities either by itself or by an eligible implementing agency as permitted under the Act.

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;
- 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.

Set off:

Where a company spends in a year, amounts in excess of requirements, such excess amount can be used for set off against the requirement of immediate succeeding three financial years, as may be approved by the Board and provided that such excess amount shall not include the surplus arising out of the CSR activities.

Treatment of unspent CSR amount:

Amount allocated for Ongoing Project: Any amount remaining unspent pursuant to any ongoing project, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Amount allocated for other than Ongoing Project:

The Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Monitoring of CSR Projects:

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 shall devise 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, as may be required, according to the CSR Rules.

The impact assessment shall be mandatorily undertaken by company if, average CSR obligation of the company is Rs. 10 crore or more in the three immediately preceding financial years through an independent agency, of their CSR projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the impact study. The Company, while undertaking impact assessment, may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 2% of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

The CSR Committee shall review the progress of each project 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.

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.

Monitoring and Reporting:

The CSR Committee shall meet at least once in a year to monitor the implementation of CSR Plan and its activities.

Each CSR project or program will have clearly identifiable inputs, activities and outcomes to be achieved in a stipulated time period and fund disbursement will be linked to these milestones.

The monitoring and reporting mechanism, as identified under Clause (d) of Annual Action Plan above, can include a combination of internal and external validation through field visits, relevant documentation, baseline and end line studies etc.

The Board of the company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

In order to ensure transparency and communication with all stakeholders, the Company will ensure that the composition of the CSR Committee, CSR Policy, as amended from time to time, and Projects, if any, approved by the Board are displayed on the Company's website.

The Board shall include in its report to the shareholders, the annual report on CSR activities and impact assessment reports on CSR, if required, as per the format specified under the Rules.

Review and Amendment:

This policy shall be subject to review by the Board of Directors as may be deemed necessary and to comply with any regulatory amendments or statutory modifications, preferably once every three years.

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. and shall be deemed to be part of this policy.