**TISS-NORRAG – Teaching Case Study on India Education Outcome Fund and the Development Impact Bond**

**Transcript of Interview with Mr. Adwait Hebbar, IndusInd Bank**

**M: The questions really are divided into three segments. You can see that there are a total of 14 questions.**

R: Yes.

**M: And one is with regards to IndusInd’s engagement with the IEOF and since you are also engaged with the Pilot DIB specifically with the Pilot DIB and overall, your engagement with IEOF, so that is one segment and the second one is with regards to stakeholders and what your conversations and interactions have been with the other stakeholders and finally your experiences and insights that will help us to understand some lessons at this juncture. So, the way I propose we do it is, in the first segment, since the questions are there, you could share in any particular order and let it be a free-flowing discussion.**

R: Yes.

**M: After you have completed what you have to say in that segment, you could pause and then if I have some follow up questions I could ask those and then we can move to the next section.**

R: See, this CSR Act which came into place 6 years back is a unique concept and what it says is basically that it should not be philanthropy the company should not just cut a cheque and give, so there has to be an active engagement there has to be complete definite outcomes with kind of an impact that actually moves the needle. So the emphasis on really being partnering and bringing a change in the country and that is the underlying thing.

**M: Okay.**

R: The act also says to be liberal, though it has given that stipulation but it says to be liberal, so for us, we took it in a literal spirit because when it just started we were really wondering how do we go about and how do we move the needle, we are bankers and we know how to borrow money and lend money and that is what expertise is. We are into financial inclusion but then again it is livelihood program, we will lend you, so there is a certain amount of risk element that we try to underwrite and then engage in it.

**M: Okay.**

R: But the social aspect is something which is very different I mean it is about change in behavior it is about multiple stakeholders and it is one of the biggest players, it is a democracy, so there is a political system and there is panchayat, Zila Parishad, bureaucracy, administration, government, policy; elections happen and the government changes the bureaucracy changes the party changes but they play a big role in the development because they have huge funds which come in, ours is like, cannot compare to that.

**M: Okay.**

R: So, how do we engage them, how do we have a platform where all can come together and say let’s put it together and see what change we can bring in. So, that was primarily something that we were really trying to deal with and we would get one or two proposals running with reputed NGOs, so we were looking at large NGOs which have a track record like Tata Trust and other larger foundations, (inaudible 03:48), so we partner with them and then move on with them or do we really look at is different and another thing that we also looked at was that a lot of NGOs are really shy of the government they do not want to deal with the government.

**M: Okay.**

R: And we were looking at convergence not only in terms of cash but convergence in terms of the programs that the government does and therefore, how to bring that change in the government, what is missing in the program that can bring that change, for example, if you have sanitary pads, Stree Swabhiman Abhiyan of government, and what kind of role do I play there, is distribution of sanitary pads is only the thing or do we really all come together and see what the challenges are, what stops women and girls from using a sanitary pad and that would be a key more of the needle so to say because if that behavioral change comes in if that adoption comes in then I do not have to preach anyone, it is taken, it is done, it is only about then the accessibility of it and therefore, it is a big challenge for us, how do we really look at the large scale project that would really bring in that change.

**M: Okay.**

R: So, we are struggling with that for quite a number of years, so when the proposal came on the DIB and from IEOF it was to look at the education program, wherein, there is a government which is involved, there is a strong implementing agency which is involved, there would be a strong baselining, there would be outcome evaluation, there would be someone who is rewarding and also say if the outcome does not happen then okay there is a disincentive there is a risk taken for that and the icing was really, the government embracing that if it is successful with the government then embracing and rolling out for the rest of the state so that a kind of a policy change can come up that can change at least the early learning outcome that we are looking at.

**M: Okay.**

R: And that (inaudible 06:15) lot of competitive years and you and I know when we went to school we had to really mug up and produce those answers and since my memory was very bad, I never got good marks, so those are the things that were really embracing those things, so for us, it was a fantastic platform and (inaudible 06:35) next years there is a large platform and there is a government engagement and looking at seven districts looking closely, building that capacity (inaudible 06:44), showcasing the entire thing as to how can we do that and the government is also participating, right, so they are sending the teachers for training, they are open to change in the curriculum, methodology and pedagogy, so those were the things that really motivated us to really invest in it.

**M: Okay.**

R: So, we went with it. We have one or two other education programs within our own area of operation where we call it assisted learning, like children need extra classes, In Orissa we looked at where we were looking at really doing a wholesome kind of treatment to children in the middle school, so not only looking at education, assessing the principal, bringing the qualitative education, giving assisted learning but also encouraging children to participate in sports in school, extracurricular activities and also getting the parents also involved in the school activities which does not happen in most of the schools, so we have run that program and we have tried to engage the government but it was the implementing agency and ourselves interacting with the government, so it was kind of an attempt, but this experiment has a much large scale.

**M: Okay. So, this is different from the other work that you do the CSR work that you do in the sense that it is working with the government it is large in scale, maybe or are there any other differences?**

R: Primarily, that is one because in all the cases also we try to engage the government but this is kind of a risk investor coming in, we coming in implementing it so it is a kind of a group going and approaching the government, it is not one organization, one person from one organization going and doing it or one foundation going and check out that I will do something in this district, the government is happy something is happening (inaudible 09:05), inauguration happens, so it is not that kind of a thing, it is a very collective kind of a responsibility that goes and engages the government quite proactively and say so let’s have this change, we will do the experiment, we will run it in the seven districts and if it is successful, we have an outcome here, every state will get to engage, you look at those results, you look at top schools, the BDO, block education officer gets involved, school principal gets involved, the state education...

**M: Okay.**

R: So, it is not that there is anything secret (inaudible 09:42), it is quite open, you get it, you get your own children, engage with the parents and see for yourself what change it is bringing and I have been to some of the schools where the initial proof of concept was done and we see there is a remarkable change.

**M: So, you had not been funding LLF for the year, am I right, this is the first time you will be coming in as a funder or an outcome payer in this scenario.**

R: Yes, so in this case, because of the CSR Act, they have structured it differently. So we are the funders of this and Central Square Foundation is the risk-taker, so if things work out well if the outcome is positive then we would support to an X amount X percentage of what we have invested with another project with LLF, so we will bring money, so there is a kind of a commitment.

**M: Okay.**

R: In case, the outcomes are not met then the risk funder will give the risk capital part of it back to us.

**M: So, exactly when were you approached by the IEOF, was it in 2019?**

R: Yes, it was this year. See, they ran a program in 175 schools, so it is like that, right.

**M: Yes.**

R: Because it is a new concept for us also, so it is okay, I am not a risk-taker, I have got limited money, I want to bring that change, and therefore, have we actually done this concept and yes recently they have done it and the outcome (inaudible 11:35) now it has happened and post that we looked at investing in it in 3000 odd number of schools.

**M: And specifically, what is your role is it just to give the funds or is there any other involvement that you foresee taking place? Right now, I understand it is still getting shaped I mean this whole engagement.**

R: See, there is steering committee, we are part of it, that is number one. Number two is that we are bankers and we lend money and when we lend money we get into the hair of it in terms of how the usage is and how the use of fund happens, we can safely go back, so we have provisioning and bad debts come up, but nevertheless, our habit is that we do not give money for free, to give the money we need to get engaged, so this is just the beginning now, so we had a steering committee, we evaluate as to who should be the evaluator decided on the criteria, we get them on board, what should be the criteria we evaluate, what should be the baselining, when it should it start and what should be the percentage.

**M: Okay.**

R: So, there are a lot of operational things that we get involved in, to be honest, we are not educationist so we hear everyone around and if we feel that okay something which is getting very theoretical let’s bring it back let’s look at the practical side of it, so that is where we bring our value to the table.

**M: Okay. When you came in, of course, the LLF you said you went to Haryana and actually saw the work and you were convinced after looking at of proof of concept but were there any other conditions or requirements which you as IndusInd Bank had with regard to what can be done what can be supported what cannot be supported and what were those requirements?**

R: Definitely, it was quite a straight forward program and there was no complexity in it and that is how I saw it, then I had some criteria consistency, where the government is not only involved but engaged, right.

**M: Yes.**

R: There is an understanding with the government that if successful they will roll it out in other districts, right, there was a very sound implementing agency which is run by a sound leadership, so that is the credibility part of it, that is taken care of. The SFI is engaged right from the beginning and then the curriculum, we are the experts on, looking at the curriculum and teaching methodology and bringing in people to assess the principals, our thing was that when you assess the principals and the district functionaries do not go with the Pope John Paul kind of attitude saying I will tell him what to do. We will hear them and then see how we can slowly bring that acceptance, let them lead the way and we should be more of facilitator and let them lead us into this, we should evaluate it and then adopt it and then own it and then go with him, right.

**M: Yes.**

R: So, all that was even a part of the format, so we were very happy with the way the whole was thing structured and done.

**M: So, did you have any concerns? From what I hear, you did not seem to but were there any concerns because this is the first time this structure is getting conceptualized and even tried out and this is the first time even CSR is coming in as an outcome payer, so did you have any concerns because of this?**

R: Look, I am coming as investing in the program, so to that extent, there is no concern per se but the kind of commitment that I have given the kind of involvement that is there, the only concern that I have and which is a very general concern that I have is that in our country, hope it sustains and people really take it in spirit it is and roll it out in spirit it has because it cannot be handled till eternity, there is a point when we hand over and then it is taken care of, so that aspect is still untested, right now, everybody is in it. For me it is not so much risk whether this program will succeed or not, for me it is more a risk whether it will sustain itself post that.

**M: Okay.**

R: So, I am looking from that perspective, so when it goes to other districts and when the government themselves have to run and implement it, how they work and what kind of machines they will bring in, what kind of money will they allocate for education, so those are the things that I have in mind or they all go that way. For example, there is another unrelated example of what we did in water conversation, so we revived a small river in Satara.

**M: Hello? Mr. Hebbar, I think I have lost the connection. I can see the screen is frozen and I am not able to get you.**

R: Are you not getting me.

**M: Yes, I can hear you now. You were talking about reviving a river in Satara.**

R: Yes, the check dam was done and the whole ecosystem was evolved, you know very well, right, and for me, the next phase was looking at the farmers and how to use the water and how to do irrigation and shifting of crops what they have now which was sugarcane to looking at other native variety which does not use so much of water, those kinds of things.

**M: Okay.**

R: The district collector changed and everything fell. We were engaged with the district collector for quite a time but the collector changed and a new collector came in and it was not a part of her agenda, she was not (inaudible 18:43) about it and therefore, I had to just withdraw, so that is the reason that comes in, I mean for me that is the reason always.

**M: So, is this the only education program that you are supporting currently or do you have a large education portfolio out of which this is one?**

R: Yes, we support the education program in Odisha as I said.

**M: Yes, the assisted learning program.**

R: Yes, assisted learning and there is one in Eastern UP and again I think there are 177 education centers that we have opened for children who after school come and study and there is an implementing agency that has tied up with Pratham to come out with that with curriculum and teaching methodology and stuff like that, so children can understand and they are focusing specifically on mathematics and science, it is a not a game-changer but it is really giving the children a chance to compete, so the children are able to understand and compete.

**M: Okay. When I was looking at the literature on innovative financing and role of outcome payers and also risk investors, primarily risk investor but this applies in the case because you are paying the money upfront being a CSR agency, so there are two kinds impacts, right, one is financial and another is social and since this is a part of CSR, do you look at social impact first or is financial impact second or right now there is no financial impact you are looking at because you cannot take the money back, in any case, you have to reinvest?**

R: Yes, so this is hard-earned money, this is the profit of the bank which is going into it and people have worked hard for it, right, and when we do invest in CSR projects, we actually also engage our internal state holders and that includes employees and there is a kind of pride, right.

**M: Okay.**

R: They take a lot of pride in the people, right, so for us when we spend money, we look at the financial part of it, we really go and ask implementing agency as to in every line item how they have really budgeted it and how they are spending it and why so, so when we are going in there, they say okay I am going to have a session where 20 people will come and attend and I need 50 K rupees for that and we said 50 K rupees for people in a small village, give me a break, so it is not that we are not looking at the financial aspects, we are looking at the financial aspects and therefore it is very important a to have a strong implementing agency with a lot of experience and integrity, right.

**M: Okay.**

R: And share core values that really identify with the implementing agency, this very important, right, so that partner thinking is a very key thing in this, so if you are dealing with say Tata Trusts, some of these things the integrity part I do not have to really go further and if it is done because we know it is there. But there too we still ask questions why are you spending so much here, so those are the things that we definitely ask, so that is one but having getting into CSR and also social responsibility, for me what I have invested and what kind of behavioral change happens and the outcome, how do you relate this money that I have invested today.

**M: Okay.**

R: So, a couple of days from now when this project would be reviewed, I am going to look at really what has been the return having said this, so in a committee also say, okay having done this, how many people are impacted how many people are benefitted by this, what happens post we have done this, how lives of those people will change, what are those dimensions you still have with you, but you can look at the kind of return coming later, what are the statements that we look at, so financial aspect is one and then the social aspect, both are very important.

**M: But since you are not going to be able to get the money if the performance is not delivered as per the plan and if CSF has to pay you, you will not be able to take the money because you are a CSR in which case it gets invested, as you said, in another organization of mutual choice, so in that sense, what would be your first priority, would your first priority be to make sure that the program succeeds so that there is no money coming out of it from the risk-taker or would you rather have that money come in and go towards supporting another project, because in a typical setup of DIB what happens is when the risk-taker actually gets the return that is the financial return that comes to them but here you cannot enjoy the financial return and you are passing it on to another partner and that comes in only if the performance is not as per the plan?**

R: As I see it, some of the best companies when I lend money, it goes bad and I have provisions for it if the money does not come at all, despite my best risk analysis and the system. So, here what I am looking at is I am investing in a program we are all investing together to make that program successful, there are a lot of things that have happened before that.

**M: Yes.**

R: We have zoomed on certain things and selected, developed those programs, we will have during this journey a lot of challenges thrown at us, there will be issues that would come up, there could be some schools principals who probably think that this is just a waste of time, traditional, there could be certain schools who would take pride in this, it depends. So the idea is how agile we are to looking at identifying this and coming out with a solution, it is not static, this is the program and this is only how we will run it.

**M: Okay.**

R: So the review that we are going to have on a quarterly basis, the constant engagement that has with the program manager with the implementing agency, the steering committee which is there to look at some of those challenges where things would be shared with everybody.

**M: Okay.**

R: And also interface with the government where we believe that there it would be their intervention or muscle power to make things work or get the political and social aspects of it also on board, we would need that, right, so when all those come in, personally my view is that the outcome then becomes irrelevant because the means have been very well thought of, right, in the end, I may succeed I may not succeed it may sustain it may not sustain, I do not know at this point in time, right.

**M: Yes.**

R: But what I learn from this the experience that I get from it, I know but then my next investment which will go in I would not do with much richer experience and be able to really contribute a lot more than what I did today, right, so probably that is kind of a journey which has just begun, so we really take this up and then if you are scaling to other states if you are scaling to other parts of the country, how do we take this experiment learn from this and then really we invest that money in.

**M: Okay.**

R: So, what will happen ultimately is that now if I focus on the outcome the evaluation agency comes in, it has taken the box, it is done, I get 20%, when I look at the entire project the 3 years’ time the energy the effort all, that 20% return is hardly anything, then the sense of pride that you are going then I am making a difference to the society where I am in I am making a difference to this country, right.

**M: Okay.**

R: I am looking at children to really coming up and improving the quality, so that gives you a different high, the mothers who are coming up, people who are actually questioning and thinking all those things, I am thinking to come out with that kind of flavor and I know what kind of changes they can bring in, so if we can bring that out in some way for me that is some success criteria, I am really not looking at whether I get that 20% or I lose that entire investment, the journey has to be right, the engagement has to happen the agility should be there, we need to really think of ideas which are lot more local and be able to manage (inaudible 28:52) that very well.

**M: Okay and to some extent.**

R: There is another thing and this is again off the topic I am telling you. We did some exercise to clean drinking bottle in Rajasthan so I went to inaugurate that in one of the places and I remember sitting on the floor, the men were sitting on the chairs, so I asked the organizer why they are not providing chairs for the women and he said that they won’t sit on the chairs, so the men were sitting on the chairs, so now, do you want to go and change that then and there, no, I want women to change then it will not happen, so when I spoke to the sarpanch post the function, I said would it be a good idea that women sit on the chair, what will take, you tell me what will it take, I would love to see women sitting on the chairs.

**M: Okay.**

R: So, his reaction was ‘sir when you come next time, we will make them sit on the chairs’, now for me, at that point of time, saying okay how do I now engage here bringing those social aspects without really so these are the small changes that come in, I mean there was a waste segregation program we did in Uttarakhand and the mukhiya was a brahman and the driver did not turn up and he was getting calls saying the garbage truck is not coming in, now this guy calls me up from village saying ‘sir today, I have collected garbage despite being a Brahmin' and I ask him the reason and he told me that the driver did not come and he had to collect the garbage.

**M: Okay.**

R: So, I think when the ownership comes in then you see the changes come in, people take pride in it, so they look at us when we go there as a person who has not invested in this, so I am not there for business I am not there for votes, I am just come there just to facilitate a change so that they are most comfortable with that, so that is the thought process behind all these.

**M: Yes, because I was also thinking that this is the first time where there is a focus also on outcome-based work and CSR is also involved in it and in a way it is going to be new, there has been a slight shift already, I would say it is not as if none of the developmental work is happening which is outcome based, there are definitely interventions that are outcome-based, but as a structure which supports outcome-based work with a CSR backing is a new one and in that sense, it is going to have its own challenges as it gets implemented.**

R: But it will have more acceptance also, for example, in our own organization as a part of our manual what we have suggested is that any program where we are spending more than 1 crore has to have a baselining has to have an evaluation end of it in terms of how the usage of the funds has been(inaudible 32:17) and what kind of outcomes, these are outcomes, (inaudible 32:20) at random.

**M: Okay.**

R: Previously, when we used to go to our client they used to look at what are the projects we are having, now when I go they are saying okay what is the outcome looking at it, you are the guy who is giving them money and you are assessing the success of the program how is that possible, so you need a third party, so this scenario is evaluated, so in this structure everything is in place already, it is completely independent and therefore I have to do less talking because the numbers are there that speak for itself.

**M: Yes, which actually brings also to the second segment and before we talk about the other stakeholders, I want to understand the internal stakeholders and their involvement in this. You mentioned that the employees are encouraged to participate, so is there any way by which you are imagining this taking place in the context of this particular DIB how would the employees want to be, because it is a different thing when it is where they can go and actually do the work, is this an area where they can participate and how can that happen?**

R: Actually, we run a program in our organization called ‘The Green Champion’ because our focus always had been on environment, so within our CSR strategy our major portion goes to environment, so I talked about water conservation and we run non-water environment projects like energy, so The Green Champions program was basically to say alright charity begins at home, so let’s look at how do we bring in environment in our own place of work, so we use less of energy and so on and so forth, how do we even talk to your customers about sustainability and preserve his environment and it is good to talk to your customers about what are the native plants that can be grown and then run a program on water and waste segregation and on and so forth, so these are the things we are running.

**M: Okay.**

R: So, now we are bringing in also kind of-- because we are a pan India so we have thousands of centers (inaudible 34:36) all over the country but we have a large office in Gurgaon and we have a good number of branches in Haryana, so we are going to introduce what we call voluntary leave, which is starting with one day to see how it works because there is also some kind of resistance from business because there will be targets as well, so employees who are very keen to go and get engaged in this project, so we could let them know which are the villages and which are the dates when they can go where someone from the implementing agency will also be there who take them through the program and tell them what are we doing here, so they get an insight what is being done how it is being run what are the changes what are the challenges that are there in these schools and also encouraging them to get their families also engaged.

**M: Okay.**

R: So, the idea is that we may have a lot of employees who are in Gurgaon and around and Delhi who probably would go to these districts because it is just a few hours journey and spend time and look at things, the children are also there and then come back, so they get a flavor of what the challenges are there in rural set up what are the challenges which are these in schools and also in terms of saying it is not only the learning technique but the other aspects are there like infrastructure itself like do they have proper ventilators do they have proper windows, lights, fans, solar thing and those kinds of things, so, we are already working on that aspect and that would be a very key part to this.

**M: So, currently, in terms of your shareholders they are also internal stakeholders, are they also interested in knowing what CSR is taking place and...?**

R: Actually…

**M: Or how is this team they are not in currently I mean how do the shareholders look at the CSR activities or they see that okay this is one of the mandatory requirements so it kind of has to be done or are they like really interested in knowing where you are investing that you are supporting the environment now you are supporting this first of its kind the structure that is here and outcomes point?**

R: Archana, I will put it in two ways. One, of course, is the retail investor someone like you and me who are investing with a little money (inaudible 37:25) there, so I am primarily investing in terms of the return that I can get on my share the evaluation that can go, right. Having done that as I see when I look at institutional investors the large institutional investors who are bringing in millions and billions of dollars in an organization, they are very keen in knowing what our sustainable agenda is.

**M: Okay.**

R: Sustainability in India, sustainability in our business are we following the labor laws, are we even asking the vendors whether they are following the labor laws or not, how are they treating wastewater, what are they doing for conservation or water or recycling or water, so that is becoming a part of our on-boarding of any vendor or any client, that itself is seen by some of these large investors who are interested and they are also looking at the kind of investment we are doing and bringing the change in areas where we are operating, so they are asking for these from the institution, as far as you and me are concerned, look if I am investing in Tata company for example.

**M: Okay.**

R: I am saying Tata because it is a well-known brand. One of the things that people take pride in is that they are into many social causes (inaudible 38:57), so at the same time they are doing good business, so for a (inaudible 39:05) individual retail investor who has invested would rather stay invested for long with me or with the organization because he says my money is safe because they are generating a good profit which I can see but they are also investing it very sensibly, (inaudible 39:22) agenda and they are into the social thing also, so I am feeling good having invested in this, I can relate to this, (inaudible 39:29) now start opening my account there or might take a housing loan from them, or I can take a personal loan from them because the basic thing is that they are good citizens.

**M: Okay.**

R: So, to that extent yes, I mean that engaging, that thinking is there, when I interact I can see that, now I can feel that more and more people are talking about it, the moment I go in (inaudible 39:54) I say that okay I had CSR, they are asking me questions what are your large programs where are you investing and so on and so forth.

**M: Okay.**

R: But will these questions be taken up in annual general body meeting, I do not think so, so we have not reached that stage, it will happen after some time, because right now, in the country the change that we are looking at and the emphasis that I see is more on corporate governance and across the industries and not just banking, so more and more compliance regulatory point of view, they are looking for corporate governance and transparency, sharing of information with the shareholders more and more in certain amount of detail and granularity, that is what is being focused on, so I think slowly there may be more people asking questions about CSR as well.

**M: And external stakeholders you mentioned the steering committee, so is your engagement primarily through the steering committee or even otherwise, do you have any interactions with…?**

R: No, we have a CSR committee that is internal.

**M: What about the external stakeholders of this DIB like LLF?**

R: I do not know because I am in the program whether I can call them external or not. We are all into it together.

**M: Yes, this is internal to the DIB but external to IndusInd, so it is from that point of view.**

R: Yes.

**M: Is it mainly through the steering committee or is it also other engagements? Are you planning to visit the field often to…?**

R: Absolutely, I have already done that twice. As we begin the program, so we have a program manager so she would go at least once a quarter to see what is happening and there is a monthly update that gets in, the calls that happen where we are in touch with them, so as per the rules, the regular communication keeps going on.

**M: And is that similar to the other CSR supported initiatives or it is different?**

R: Yes, the methodology is almost the same, see the relationship between the implementing agency and the funder is like a mother and child relationship, so it is a primary relationship (inaudible 42:50), so we need to trust each other, work hand and hand and share the same values otherwise it cannot happen, so it is like a mother and child relationship. Then we have the other things coming in, the risk investor is coming in and there are some experts who are on-boarded onto the steering committee who are from the field of education. Then you will be able to work. Then the third eye perspective in terms of what is going wrong what is going right what is going better what can be better.

**M: Okay, it takes me to the last segment on your experiences. I know it is too early but how has been your experience so far, you had to change from anything that you started midway, what things have been challenging?**

R: I think it got a little delayed because the election came in and there was the code of conduct, so the starting of it got delayed. Then initially, I think there was a bit of confusion in terms what will be the overall cost of the project because some elements were taken and some elements were left out, so when these discussions were happening, we realized that the cost of the project has gone up so we had to go back and take those approvals, so again questions are asked like what happened.

**M: Okay.**

R: So, these are all the initial teething problems and till now (inaudible 44:36) which is already there, so we had to extend this program a bit from initially what we thought that a 3 year period will come in (inaudible 44:47) by 6 months which is still fine.

**M: Okay. And in terms of challenges, have there been any challenges particularly with regard to the kind of regulations that apply to CSR or the kind of framework within which CSR works… Are there any challenges? The reason I am asking it is that does the CSR legal framework allow or does it encourage this kind of funding because this kind of structure was created because of restrictions imposed by CSR…It has been designed in a very innovative way because of the constraints but at the same time what would be required also of the regulatory framework or to be reformed or to be revised so that CSR's work can be encouraged in different formats to respond to these newer trends and newer development in this (inaudible 46:02)?**

R: Yes, if you are looking from the risk investor point of view, if that comes into play say what as risk investor I am invested in (inaudible 46:17) that can be considered CSR then probably a lot more of these DIBs would come because there are a lot of High Net Worth individuals who would love to invest and (inaudible 46:28) as investors and they would like to have it on me and like every investor would like to see that money coming in and things being rolled out, so tomorrow if you are successful the outcome is outcome, I paid some money because initially they have put something, and then I say okay I take this project and I will roll it to next 10 districts then again I can run with that.

**M: Okay.**

R: Instead of me going to investor right in the beginning, here, in this case, the CSF did this POC in 175 village, it demonstrated it and then we went, it could have been on a much large scale, with a lot more financial instruments coming in which would attract I mean a lot of high net worth individuals also (inaudible 47:22)to invest, it is more of a platform and as a bank as a CSR protagonist, I could also go into the DIB with rest of the investors also investing in it and the scale could be very different, for example, if I am bringing in 10 crore then the rest of (inaudible 47:44) bring in another 15 crore rupees, right, from amount (inaudible 47:48) and they say that (inaudible 47:49) you run the program we are with you and so you fund us by interacting with the implementing agency and provide us the reports to see how things are happening and then my scale can be ten times than what it is because right now it is only leveraging only on the CSR amount and not leveraging on the private funding account, right.

**M: Okay.**

R: (Inaudible 48:20), for example, I know that the bank with the impact investment team that we have. There are (inaudible 48:28) agencies which are coming and asking us to giving funds at very concessional rates saying or social development just lend this money on, so it could be environment it could be for solar it could be incubators or it could be for any social program which is running on profit basis, so let me get a concessional rate let them start and then do that, the bank front-end, they do the risk assessment and they give the feedback to the (inaudible 48:57) agencies send him the report and so on and so forth.

**M: Okay.**

R: So, a similar model can be done here as well, which could be a very good instrument to really raising money in.

**M: Right but currently, I think the legislation in a way the framework does not allow is the main bottom line, right.**

R: Yes, so right now, the framework which says that you can invest and if there is a profit from it, you may have to reinvest you have to reinvest and if you reinvest, it will not come under the 2% that you are calculating on your average…

**M: That is over and above.**

R: Yes, so that is how it is. So, if even in this structure if I look at it, I cannot come as a risk investor because I will not be able to invest for profit, [inaudible...] even there is an outcome there, the CSR does not allow that. They want us to participate and be a partner with the implementing agency, so that thing is there.

R: So, I think this is the way it is going to the future I mean this will become more important in the future, it only depends only in terms of the success will be how much more inclusive it can be done, [inaudible…] or it could be also where successful DIB is running where after some amount of time I have some excess funds left with me, because two percent has become more of mandatory and regulatory kind of a thing that you have to achieve and I do not know where, instead of putting in PM Relief Fund where I do not know how the money is invested because there is no transparency or information coming back and I get 100% tax rebate on that, I rather invest in DIB because I know that those changes are happening on the ground (inaudible 52:32), so these kinds of things if that comes up then it will become lot more buoyant.

**M: Right. Thank you Mr. Hebbar very much. There are reports on the CSR I mean scenario status reports in India but do you also have any kind of publication that I can look at if I have to…?**

R: Yes, so…

**M: Because I do not have the context overall of IndusInd. So, are there any materials or publications that you may have which describes your work or brochure or anything would really help if you could…?**

R: It will be on the website. I do not have anything like that.

**M: Okay.**

R: But there is a report (inaudible 53:25) on the website which is last year (inaudible 53:30) we still have to upload it, so we will be uploading it in a week’s time, so we have that but if you look at the kind of strength that we have, for us this year has been a really take off year (inaudible 53:42).

**M: Okay.**

R: In terms of the large scale where we are implementing today.

**M: Okay.**

R: So, you see more of that coming in. In the interim time, you can look at that or I can send you a small document that gives the details of the kind of projects that we have currently.

**M: Okay.**

R: I can send you that.

**M: Yes, that will be nice.**

R: Yes.

**M: That will be a different perspective. I think that is more or less said, Mr. Hebbar. Thank you so much once again for your time. This was very useful and it gives a very different angle to what I have understood so far, so thank you very much. I will send you the transcript and take off the last portion which you said to be removed and I think it might take about a week’s time to get that done and send it across to you.**

R: No issues. You can send it to me. All right and thank you…

**M: I will for that information from you and as well as the consent.**

R: Sure.

**M: Thank you.**

R: Yes, we will do.

**M: Thank you.**

R: All right.

**M: Bye.**

R: Bye.