

NIIF Infrastructure Finance Limited (NIIF IFL) – Policy for Corporate Social Responsibility

Policy Owner: Chief Executive Officer

Last reviewed: November 2019

NIIF IFL– Policy for Corporate Social Responsibility

Our Vision	<p>NIIF Infrastructure Finance Limited(“NIIF IFL” or “Company”)) believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the society, preferably in the immediate vicinity in which the Company operates but at the same time ensure widespread spatial distribution of its CSR activities all over India befitting its status as a conscientious corporate citizen.</p> <p>This policy shall apply to all CSR initiatives and activities undertaken/to be undertaken by NIIF IFL at various locations, within India. :</p> <ol style="list-style-type: none"> i. directly; and/or ii. through external agencies, Charitable Trust(s), Society(s), NGOs having the requisite track record of 3 years in the relevant project/programme.
Company’s Philosophy on CSR	<p>Section 135 of the Companies Act, 2013 (“the Act”) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”) requires certain companies to mandatorily spend on CSR.</p> <p>NIIF IFL would carry out CSR activities as and when it falls within the purview of Schedule VII of the Act.</p>
CSR Committee	<p>The CSR Committee of the Board of Directors (“Board”) would consist of 3 or more directors, out of which at least 1 director shall be an Independent Director.</p> <p>The CSR Committee, as mandated under Section 135 (3) of the Companies Act, 2013 shall –</p> <ol style="list-style-type: none"> i. formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act; ii. recommend the amount of expenditure to be incurred on the activities referred to in (i) above; iii. monitor the CSR Policy of the Company, from time to time; iv. annually report to the Board, the status of the CSR activities and contributions made by the Company; and v. any other requirements mandated under the Act or Rules issued thereunder. <p>The Objects and the Role of the Committee shall also be dependent on the extant</p>

	provisions of the Act, the Rules and other applicable Regulations, as amended from time to time.
CSR Activities	<ol style="list-style-type: none"> 1. NIIF IFL's CSR activities would be in the form of well-defined programmes or projects, the outcomes of which could be measured objectively. The objective of projects would be to explore decentralized solutions across the focus sectors defined in this policy, in consistence with the provisions of the Act. 2. Schedule VII of the Act lists out the activities which may be included by companies in their CSR activities. The said activities include the following: <ul style="list-style-type: none"> -eradicating hunger, poverty and malnutrition, promoting 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; -promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; -promoting gender equality, empowering women, setting up homes/hostels for women & orphans; setting up old age homes, day care centres & such other facilities for senior citizens and measures for reducing inequalities faced by socially & economically backward groups; -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; -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; -measures for the benefit of armed forces veterans, war widows and their dependents; -training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports; -contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; -contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded

Universities, Indian Institute of Technology(IITs), National Laboratories and Autonomous Bodies(established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy(DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology(DST), Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

- rural development projects;
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- disaster management, including relief, rehabilitation and reconstruction activities.
- slum area development and
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- such other activities, as may be prescribed, from time to time.

3. NIIF IFL would primarily focus on following CSR activities:
- Promoting education especially rural education for the under privileged;
 - Developing /expanding and assisting old age homes, day care centres and such other facilities for senior citizens;
 - 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;
 - promoting rural development projects and rural sports;
 - promoting healthcare including preventive health care;
 - 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;and
 - promoting gender equality, empowering women, setting up homes/hostels for women & orphans; setting up old age homes, day care centres & such other facilities for senior citizens and measures for reducing inequalities faced by socially & economically backward groups.

The scope of the policy has been kept as such, so as to not spread the resources thin. The Company would respond to different situations and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013.

Restricted Activities	<ol style="list-style-type: none"> 1. The Company shall endeavour not to include any of the business activities undertaken in the normal course of business of the Company within the ambit of CSR activities. 2. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act. 3. CSR Projects or activities that benefit only the employees of the Company and their families. 4. No contribution to be made for any activities undertaken outside India. The surplus, if any arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company. 5. One off events such as Marathons/Awards/Charitable contributions/ Advertisement/Sponsorships of TV programmes etc. 6. Expenses incurred by companies for fulfilment of any Act/Statute of regulations. 7. Contribution in kind cannot be monetized 8. Monetization of pro-bono services of employees.
CSR Expenditure	<p>Every year, NIIF IFL would spend an amount equivalent to at least 2% of its average net profits (calculated as per Section 198 of the Act) made during the three immediately preceding financial years towards CSR activities.</p> <p>NIIF IFL shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. CSR Projects or Programme or activities undertaken in India only shall amount to CSR Expenditure.</p> <p>If for some reason the amount equivalent to at least 2% of its average net profits (calculated as per Section 198 of the Act) made during the three immediately preceding financial years is not utilized or spent within the fiscal year, such unutilised funds will not form part of the business profits of the Company.</p>
Collaboration	<p>The Company may undertake the CSR activities on its own or through a Charitable Trust/ Society/ Not for Profit Company/NGO.</p> <p>The Company may collaborate for undertaking the CSR activities along with any other companies, as the case may be.</p> <p>The Company may undertake CSR activities through external agencies, NGOs having the requisite track record of 3 years in the relevant project/ programme and a report on the same shall be disclosed separately as may be prescribed from time to time under applicable provisions of Companies Act, 2013.</p>
Accounts and Audit	A separate accounting for CSR related expense and receipts shall be maintained.

	<p>In case specified projects or programmes are to be undertaken through third party agencies the Company would need to specify the manner of accounting and tracking the expenditure incurred through third party agencies.</p> <p>The amount spent on CSR by the Company will be subject to audit at such intervals, as may be required, from time to time.</p>
Monitoring/ Evaluation Mechanism and Assessment	<p>The Board shall ensure activities as are included in its CSR Policy of the Company are undertaken by the Company.</p> <p>The CSR Committee shall monitor the CSR Policy of the Company from time to time.</p> <p>The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company which shall include the following:</p> <ul style="list-style-type: none"> i) <u>Release of funds for CSR Project/Programme:</u> The amounts sanctioned for a CSR project or programme, will be released in stages or instalments as per progress, or as may be determined from time to time. ii) <u>Review by Board/CSR Committee:</u> The Board and CSR Committee will review the implementation of CSR on Annual basis. iii) <u>Utilisation Certificate:</u> Funds released to the implementing agency would be based on satisfactory utilization certificate duly certified by an authorised officer of the Implementing Agency. iv) <u>External Agency assessment:</u> The impact assessment/ evaluation of major projects may be carried out by an external agency to critically assess the fulfilment of project objectives. v) <u>Audit:</u> The amount spent on CSR by the Company will be subject to audit at such intervals, as may be required, from time to time.
Tax Treatment	Tax treatment of CSR spent will be in accordance with Income Tax Act, 1961, as amended from time to time and other applicable rules or circulars issued by the Central Board of Direct Taxes.
Dissemination of Information	The CSR Policy of the Company shall be placed on the website of the Company viz www.niiffl.in . A detailed status report on the CSR activities carried out by the Company shall be disclosed every year as a part of the Boards' Report in the Annual Report. The CSR Committee will also make a Responsibility Statement stating that the CSR Policy implementation and monitoring thereof is in letter and spirit, in compliance with the CSR objectives of the Company.
Approved by	NIIF IFL Board after recommendation by CSR Committee of the Company.
Amendment	This Policy may be amended, from time to time, by the Board on the

	recommendation of the CSR Committee of the Company.
Review History	This CSR Policy shall be reviewed, as and when required.