



NATIONAL INVESTMENT AND INFRASTRUCTURE FUND LIMITED

# CORPORATE SOCIAL RESPONSIBILITY POLICY

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## 1. INTRODUCTION

National Investment and Infrastructure Fund Limited (“**Company**” or “**NIIF Limited**”), has been incorporated as a company under the Companies Act, 2013 and is acting as the investment manager to Alternative Investment Funds (as defined under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (“**AIFs**”)) set up under the NIIF (defined hereinafter) umbrella.

The National Investment and Infrastructure Fund platform (“**NIIF**”) was created by the Government of India (“**GoI**”) to catalyze capital from international and domestic investors into infrastructure and allied sectors in India. The GoI agreed to commit INR 20,000 crores to NIIF with the remaining amount of INR 20,000 crores to be contributed by domestic investors and international investors (together with the GoI referred to as “**Investors**”). The Investors have each entered into a contribution agreement with the Company (as the investment manager) and with the trustee to the NIIF Funds (defined hereinafter), wherein the respective terms of investment applicable to the Investor are recorded. Such funding from the Investors will be used by the Company for the purpose of making investment in the infrastructure and other associated sector in accordance with the investment strategy of the relevant NIIF Fund.

The investment strategy of NIIF consists of the following Funds:

- (i) **Master Fund:** The NIIF Master Fund (“**Master Fund**”) has been set up as a private trust by way of the Indenture of Trust dated October 09, 2015 (as amended from time to time) under the Indian Trusts Act, 1882 and is registered with the Securities and Exchange Board of India (“**SEBI**”) as a Category II Alternative Investment Fund under the SEBI (AIFs) Regulations, 2012 (“**AIF Regulations**”). The Master Fund will undertake direct investment in sector specific platform companies or projects within India;
- (ii) **Fund of Funds:** NIIF Fund of Funds – I (“**NIIF FoF**”) has been set up as a private trust by way of the Indenture of Trust dated March 01, 2018 (as amended from time to time) under the Indian Trusts Act, 1882 and is registered with SEBI as a Category II AIF under the AIF Regulations. The NIIF FoF will undertake investments in India-focused portfolio funds across sectoral strategies and across product strategies; and
- (iii) **Strategic Opportunities Fund:** National Investment and Infrastructure Fund II (“**NIIF SF**”) has been set up as a private trust by way of the Indenture of Trust dated March 01, 2018 (as amended from time to time) under the Indian Trusts Act, 1882 and is registered with SEBI as a Category II AIF under the AIF Regulations. The NIIF SF will undertake direct investment in sector specific platform companies or projects within India.

The Master Fund, the NIIF FoF and the NIIF SF shall hereinafter collectively be referred to as the “**NIIF Funds**”.

The Company has its registered office at Hindustan Times House, 3rd Floor, 18 - 20 Kasturba Gandhi Marg New Delhi, Central Delhi - 110001 and is being developed as an independently and professionally managed institution with best-in-class global business practices and resources.

## 2. POLICY OBJECTIVES

This Policy (defined below) is prepared in alignment with the CSR vision of the Company and the objective of the Policy is to lay guidelines and mechanisms to assist the Company in achieving its CSR vision. The Company has formulated this Policy to fulfill its obligations under Applicable Law.

- 2.1. Corporate Social Responsibility represents an approach that encourages companies to integrate social and environmental impact in their business operations and strategies. It is a holistic approach that guides companies on their role in the society and focuses on addressing the needs of all stakeholders, especially underprivileged communities, by creating positive shared value for all. It encompasses concepts such as corporate citizenship, strategic philanthropy, shared value and sustainability.
- 2.2. CSR is an extension of the Company's overall ethos of responsible investment and business.
- 2.3. The Companies Act mandates that every company having net worth of INR 500 crores or more, or turnover of INR 1000 crores or more of a Net Profit of INR 5 crores or more during the immediately preceding financial year shall spend, in every financial year, at least 2% (two percent) of the average Net Profits of the Company, made during the three immediately preceding financial years, in pursuance of its corporate social responsibility policy.
- 2.4. The Company's vision is to build a better and sustainable future for India by leveraging their competencies and engaging their stakeholders and partners.
- 2.5. The Company will achieve this vision by supporting social development and environmental programs that are strategically linked to its business and create long-term and sustainable impact within the causes enlisted in Schedule VII of the Act, with a special focus on livelihood generation, community development in catchment areas and environmental protection.

### 3. **EFFECTIVE DATE**

- 3.1 This policy was adopted on 29<sup>th</sup> November 2018 and has been subsequently amended vide board resolution dated 2 March 2021. The amended policy shall be effective from May 15, 2021.

### 4. **SCOPE**

- 4.1 This Policy will be applicable to all projects/programs that come under the purview of the Company's CSR obligations and is applicable to all Employees of the company across all operations. The geographical scope of the policy extends to CSR programs and activities that are conducted only in India.

### 5. **KEY DEFINITIONS**

In this Policy, unless repugnant to the subject or context of its usage, the following expressions shall carry meanings assigned to them, namely:

“**Applicable Law**” means all applicable statutes, enactments, laws, ordinances, by-laws, rules, regulations, guidelines, notifications, notices, and/or judgments, decrees, injunctions, writs or orders of any court, statutory or regulatory authority, tribunal, board or stock exchange in any jurisdiction, including but not limited to the Companies Act, the Companies (Corporate Social Responsibility Policy) Rules, 2014, the SEBI Act, the SEBI (Intermediaries) Regulations, 2008 and the SEBI (Alternate Investment Funds) Regulations, 2012;

“**Board**” means the board of directors of the Company;

“**CEO**” means the chief executive officer of the Company appointed by the Board;

“**Companies Act**” means the Companies Act, 2013 (to the extent applicable as on relevant date) and shall include all amendments, modifications and re-enactments of the foregoing, together with the rules, regulations and notifications,

“**Companies (CSR Policy) Rules**”, shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 and shall include all amendments, modifications and re-enactments of the foregoing, together with the rules, regulations and notifications;

“**Corporate Social Responsibility**” or “**CSR**” shall have the same meaning ascribed to the term in the Companies (CSR Policy) Rules;

“**Committee**” means the corporate social responsibility committee constituted by the Company;

“**Employees**” mean all regular employees, contract employees, fixed term employees, including but not limited to key management personnel, directors, committee members, officers, secondees, contractors, consultants, advisers, nominees and other representatives of the Company;

“**Net Profit**” shall have the same meaning ascribed to the term in Companies (CSR Policy) Rules;

“**Policy**” means this policy of corporate social responsibility framed and implemented by the Company and includes all subsequent amendments made thereto;

## 6. GOVERNANCE STRUCTURE

The CSR governance structure comprises of the Board and the Committee. The Committee shall consist of three directors of the Company out of which at least one shall be an independent director. The three directors shall be as identified by the Board, and shall be responsible for identifying and initiating CSR activities on the part of the Company.

### 6.1. The Board will:

- i. approve the Policy;
- ii. ensure to spend at least 2% (two percent) of Net Profits on CSR activities as mentioned in clause 7.1 below;
- iii. make an annual report as per the Companies (CSR Policy) Rules, disclose the contents of the Policy in the annual report; and place the Policy on the Company’s website;
- iv. ensure that the programs undertaken by the Company are aligned with the Policy;
- v. specify reasons in its annual report for not spending the earmarked amount in case the Company fails to spend such amount; and
- vi. formulate its annual action plan every year in addition to this Policy which shall include a list of approved programs, manner of execution, modalities of utilization of funds, monitoring and reporting mechanism and details of impact assessment, if required.

### 6.2. The Committee will:

- i. formulate and recommend the Policy to the Board for its approval;
- ii. monitor and revise the Policy from time to time;
- iii. recommend the amount of expenditure to be incurred on particular CSR programs;
- iv. identify CSR programs that are to be implemented;
- v. identify suitable partners for implementation of CSR programs;
- vi. constitute transparent monitoring and evaluation mechanism for ensuring implementation of CSR programs;
- vii. avail the services of sector and domain experts to ensure the smooth implementation of CSR programs as and when required;
- viii. provide periodic update and report of its activities to the Board, preferably every quarter.

6.3. In the dispensation of its duties, the Committee will make sure that it is in line with the Company’s policies of conduct and service and adhere to established corporate governance principles.

6.4. The composition of the Committee shall be disclosed in the Board’s report.

## 7. CSR BUDGET

- 7.1. For the implementation of the Company's CSR agenda and to achieve the stated aims and objectives, the Company will set aside at least 2% (two percent) of its average Net Profits made during the 3 (three) immediately preceding financial years as its annual CSR budget. Only activities as outlined in this Policy will be applicable for CSR expenditure.
- 7.2. The Company ensures that any surplus that arises out of the implementation of the CSR activities shall not be considered as profits of the Company and shall be ploughed back into the same project or transferred to the unspent corpus account and shall be spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amounts to a fund specified under schedule VII of the Companies Act, within six months of the expiry of the financial year.
- 7.3. If the Company is unable to spend its CSR budget in a financial year, then it will disclose the reason in the annual CSR report.
- 7.4. The Board shall ensure that the administrative overheads of the company do not exceed 5% (five percent) of the total CSR expenditure of the Company for the financial year.

## 8. **IMPLEMENTATION**

- 8.1 The mode of implementation of CSR programs may include a combination of direct implementation and / or through a trust, society or company that is compliant with Section 8 of the Companies Act or any other entity as permissible under Applicable Law. The Company will select its partners after appropriate due diligence.
- 8.2 The Company may also collaborate with other companies or institutions for the implementation of its programs.
- 8.3 The time period/duration of a particular activity will depend on its nature, scale and desired impact.
- 8.4 CSR support can be extended to different types of programs, ranging from infrastructure development, direct service delivery to underprivileged sections, raising awareness and influencing behaviors, building capacities of stakeholders, supporting relevant social and environmental research for public good etc.
- 8.5 The Company will not consider programs and/or partner organizations with political affiliations or a communal bias.
- 8.6 The Company may use the services of expert agencies, consultants etc. wherever required for specialized services such as impact assessment, program design and implementation, employee engagement etc.
- 8.7 All details, including the manner of implementation, around the company's CSR programs will be published in the annual report and made available to all stakeholders.

## 9. **MONITORING AND EVALUATION (M&E) FRAMEWORK**

- 9.1 Each 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.
- 9.2 The Company will institute a system to monitor and evaluate CSR activities to ensure that they are being implemented as per stated objectives and Policy.
- 9.3 The monitoring and evaluation framework can include a combination of internal and external validation through field visits, relevant documentation, baseline and end line studies etc.

## 10. **REVIEW OF POLICY**

- 10.1 This Policy shall be subject to periodic review and reassessment by the Committee. The Committee may make recommendations for changes in the Policy, subject to approval by the Board. The Policy may be amended and modified to introduce any changes as may be required due to any changes in Applicable Law or changes in the business or the business environment of the Company.

11. **PUBLICATION**

- 11.1. The Policy will be displayed on the website of the Company. Further, the Board shall mandatorily disclose the composition of the CSR committee and the projects approved by the Board on the website for public access.