

NIIF INFRASTRUCTURE FINANCE LIMITED

POLICY FOR CORPORATE SOCIAL RESPONSIBILITY

Reviewing & Approving Authority

| Authority | Designation |
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| Prepared By | Head - CSR |
| Reviewed By | Chief Executive Officer ("CEO") |
| Approved By | Board of Directors |
| Month/Year | November 2023 |

NIIF INFRASTRUCTURE FINANCE LIMITED

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NIIF IFL– Policy for Corporate Social Responsibility

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| <p>Our Vision</p> | <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>The CSR Policy provides guiding framework for selection, implementation and monitoring of CSR activities of the Company as well as formulation of the annual action plan.</p> |
| <p>Company’s Philosophy on CSR</p> | <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 shall carry out CSR function as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and the guidelines issued by the Ministry of Corporate Affairs from time to time.</p> |
| <p>Role of CSR Committee</p> | <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 preferred activities to be undertaken by the Company as specified in Schedule VII of the Act; ii. formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: (a) the list of CSR projects or programs that are to be undertaken in areas or subjects specified in the Schedule VII of the Act; (b) the manner of execution of such projects or programs as specified in the Act; (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; and (e) details of need and impact assessment, if any, for the projects undertaken by the company. |

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| | <p>Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of CSR Committee, based on the reasonable justification to that effect.</p> |
| | <p>iii. recommend the amount of expenditure to be incurred on the activities referred to in (ii) above;</p> <p>iv. monitor the CSR Policy of the Company, from time to time;</p> <p>v. annually report to the Board, the status of the CSR activities and contributions made by the Company; and</p> <p>vi. any other requirements mandated under the Act or Rules as amended and issued thereunder.</p> <p>The Objects and the Role of the Committee shall also be dependent on the extant provisions of the Act, the Rules, and other applicable Regulations, as amended from time to time.</p> |
| <p>CSR Activities</p> | <p>1. NIIF IFL’s CSR activities would be in the form of well-defined programs 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.</p> <p>2. The permissible CSR activities shall be as per the those listed in the Schedule VII of the Act and amended time to time</p> <p>3. Among the CSR activities listed in Schedule VII of the Act, NIIF IFL would focus on following:</p> <ul style="list-style-type: none"> • 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 |

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| | <p>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</p> <ul style="list-style-type: none"> • 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. <p>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.</p> |
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| Restricted Activities | <p>CSR activities shall not include the following, namely:</p> <ol style="list-style-type: none"> 1. Activities undertaken in pursuance of normal course of business of the Company; 2. Any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level; 3. Contribution of any amount directly or indirectly to any political party under section 182 of the Act; 4. Activities benefitting employees of the Company as defined in the Code on Wages, 2019 (29 of 2019); 5. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; 6. Activities carried out for fulfilment of any other statutory obligations under any law in force in India. |
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| 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 Program 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 unutilized funds will not form part of the business profits of the Company.</p> <p>Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund</p> |
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| | <p>specified in Schedule VII, within a period of six months of the expiry of the financial year.</p> <p>Until a fund is specified in Schedule VII of the Act, the unspent CSR amount, if any, shall be transferred by the Company to any fund included in schedule VII of the Act.</p> <p>The administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.</p> <p>If the Company spends an amount in excess of requirement, such excess amount may be set off against the requirement to spend in the immediate succeeding three financial years subject to the conditions that:</p> <ul style="list-style-type: none"> (i) The excess amount available for set off shall not include the surplus arising out of the CSR activities (ii) The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number or (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or (c) a public authority. |
| <p>CSR Reporting</p> | <ol style="list-style-type: none"> 1. The Board Report of the Company for any financial year shall include an annual report on CSR as per the applicable formats provided in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. 2. Once the Company has an average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of 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. <p>However, the CSR Committee may prescribe requirement of undertaking impact assessment much before the Company meets the above-mentioned criteria.</p> <p>The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. The Company may book the expenditure towards this cost in the CSR for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.</p> |
| <p>Implementation</p> | <ol style="list-style-type: none"> 1. The Board shall ensure that the CSR activities are undertaken by the Company itself or through: <ul style="list-style-type: none"> (a) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or |

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| | <p>(b) A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or</p> <p>(c) Any entity established under an Act of Parliament or a State legislature; or</p> <p>(d) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.</p> <p>2. Every entity, covered above, who intends to undertake any CSR activity, shall register itself with the Central Government and obtain a unique CSR Registration Number by filing form CSR-1 electronically with the Registrar, with effect from the 01 April 2021. This requirement shall not affect the CSR projects or programs approved prior to 01 April 2021.</p> <p>3. The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR.</p> <p>4. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are able to report separately on such projects or programs.</p> <p>5. The Board 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.</p> |
| | <p>6. In case of "Ongoing Project", the Board of a Company would monitor the implementation of the project as per the approved timelines and year-wise allocation and shall make modifications, if required, for smooth implementation of the project within the overall permissible time period. "Ongoing Project" shall mean 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 also 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.</p> <p>7. The scope of the project will not be changed during the project duration. Any such modification must be approved by the CSR Committee prior to its implementation</p> |
| <p>Accounts and Audit</p> | <p>A separate accounting for CSR related expense and receipts shall be maintained. In case specified projects or programs 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> |

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| <p>Monitoring/ Evaluation Mechanism Assessment and</p> | <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 programs 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/Program:</u> The amounts sanctioned for a CSR project or program, 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>Utilization 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. <p><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.</p> |
| <p>Tax Treatment</p> | <p>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.</p> |
| <p>Dissemination of Information</p> | <p>The Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on its website for public access.</p> |
| <p>Approved by</p> | <p>NIIF IFL Board after recommendation by CSR Committee of the Company.</p> |
| <p>Amendment</p> | <p>This Policy may be amended, from time to time, by the Board on the recommendation of the CSR Committee of the Company.</p> |
| <p>Review History</p> | <p>This CSR Policy shall be reviewed annually.</p> |