



CORPORATE SOCIAL RESPONSIBILITY POLICY

Adopted by the Board of Investment Manager on:	14.02.2023
Amended by the Board of Investment Manager on:	NA

Corporate Social Responsibility Policy (amended as per the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021) of National Highways Infra Investment Managers Private Limited

1. Background

The Companies Act, 2013 together with Rules notified thereunder (“the Act”) as amended from time to time read with Schedule VII of the Act provides a framework for the Companies to define the key thrust areas in the CSR space. The law also guides companies to apply the scope as defined under Schedule VII liberally. Further, the Act also provides instructions on agencies eligible for implementation through which companies can spend its CSR Expenditure.

The company strongly believes that sustainable community development is essential for harmony between the community and the industry. It endeavours to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives.

In this regard, the Company has made this policy which encompasses the Company’s philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and is titled as the “CSR Policy” which is based as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 initiated by the Central Government under the relevant provisions of Section 135 of the Companies Act, 2013 read with the rules made thereunder and Schedule VII of the said Act.

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, employment, promoting gender equality and women empowerment etc. more particularly described below.

2. Objectives of the Policy

The objectives of this policy are to:

- i) Demonstrate commitment to the common good through responsible business practices and good governance;
- ii) Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

As per rule 2(d) of the Companies (Corporate Social Responsibility Policy) Rules, 2021:

“Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that –

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

- (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- (ii) 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;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfillment of any other statutory obligations under any law in force in India;

As per rule 2 (f) "**CSR Policy**" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

3. Applicability

As per the provisions of the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, provisions of CSR is applicable to every company, which fulfills any of the following criteria, during the immediately preceding financial year:

- having net worth of Rs. 500 Crores or more, **or**
- having turnover of Rs. 1000 Crores or more, **or**
- having a net profit of Rs. 5 Crores or more..

For the purposes of this section "average net profit" shall be calculated in accordance with the provisions of section 198, i.e.

- (a) credit shall be given for the sums specified in sub-section (2), and credit shall not be given for those specified in sub-section (3); and
- (b) the sums specified in sub-section (4) shall be deducted, and those specified in sub-section (5) shall not be deducted.

4. CSR Policy approval

Taking into the amendments notified by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Board of Directors of the company has approved the this revised CSR Policy for the company and the details of contents of this CSR Policy will be disclosed in Board's report, in such manner as prescribed in CSR Rules and ensure that the activities as are included in CSR Policy of the company are undertaken by the company.

The Board of Directors of the company shall monitor the CSR Policy wherever required for amendments/ modifications/ changes, if any in the policy in accordance with the guidelines on the subject as may be issued from Government, from time to time and applicable on the company.

5. Direction for CSR activities and Guiding Principles

a. Identification of Projects:

The Company shall make CSR expenditure on or any of the activities as stated in the Schedule VII of the Companies Act, 2013, as may be amended or modified from time to time and the activities as excluded under the CSR provisions shall not be undertaken by the Company for CSR purposes.

b. CSR Expenditure

In accordance with Section 135(5) of the Companies Act, 2013 (the Act), the Company is committed to spend 2% of its average net profits made during the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Act. If the Company spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

In order to compute whether the Company has under spent or over spent, the project cost and administrative overheads not exceeding 5% of the total CSR expenditure of the Company for the financial year shall be considered.

Guiding Principles for Selection, Implementation and Monitoring of CSR Activities and formulation of the Annual Action Plan are as follows:

A. Selection of Activities:

The CSR activities can be undertaken either directly or through an implementing agency. The Implementing Agency should meet the statutory eligibility criteria laid down under the Companies Act, 2013. Additionally, the Company shall overview goodwill and financial sustainability of the Implementing Agency by undertaking a basic check of such agency/ due diligence which shall cover aspects like reviewing financial statement, conflict of interest and existing and past litigations.

B. Implementation & Monitoring of Activities:

The CSR activities undertaken by the Company either directly or through an implementing agency shall be monitored every quarter. While monitoring, the Company shall ensure the Implementing Agency or the vendor, follow ethical practices and endeavor should be ensure all payments made to the Implementing Agency or the vendor to be milestone based. The Monitoring process adopted by the Company may include obtaining of reports of different kind, self-declaration, On-site visit, etc.

C. Formulation of Annual Action Plan:

All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan. The Annual Action plan shall be Simple, Action oriented, Measurable, Relevant and Time Bound.

CSR Implementation:

As per amended Rule 4, the Board shall ensure that the CSR activities are undertaken by the company itself or through:

- a. company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under

- section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
- b. 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
 - c. any entity established under an Act of Parliament or a State legislature; or
 - d. company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

And which has registered itself with the Central Government by filing the **form CSR-1** electronically with the Registrar.

Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR **or** may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the companies are in a position to report separately on such projects or programmes in accordance with CSR rules.

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

6. CSR Activities permitted as per Schedule – VII

Any of the following activities can be undertaken by the Company as prescribed under Schedule VII of the Companies Act, 2013:

- (i) Eradicating hunger, poverty and malnutrition, [“promoting health care including 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.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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].
- (v) 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 art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, ⁹[Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

- (viii) contribution to the prime minister's national relief fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
 (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) rural development projects
- (xi) slum area development.

Explanation.- For the purposes of this item, the term '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.

- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

The following activities are not permitted under this policy:

- (i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that –

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
- (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- (ii) 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;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

7. CSR Expenditure

As per section 135(5), the Board of the company shall ensure that the company spend at least 2% (two per cent) of its average net profits made during the three immediately preceding financial years in pursuance of CSR Policy, whenever its apply as per above said section.

The company shall give preference to the local area where it operates, but it can also extend its CSR activities throughout India, for spending the amount earmarked for Corporate Social Responsibility activities. The activities that benefit only the employees of the company and their families shall not be considered as CSR activities.

The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year. If any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

If the company fails to spend such amount allocated for CSR activities, the Board shall, in Board's report specify the reasons for not spending the amount and, if the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Provided also that if the company spends an amount in excess of the requirements, such company may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed.

- a) CSR expenditure will include all amounts incurred /contributed by the Company towards its CSR Programs.
- b) The overall amount to be committed towards CSR will be approved by the Board of Directors.
- c) Allocation towards specific CSR initiatives/projects in accordance with Annual Action Plan adopted will be approved/ratified by the Board of Directors.

As per Rule 7 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 any surplus arising out of the CSR activities shall not form part of business profits 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 as stated in Rule 7 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

8. Monitoring

A progress report on all the projects shall be evaluated by the Board and shall also endeavor to obtain feedback from the beneficiaries about these programs and amendments/ modifications/ changes, if any required in the policy will be in accordance with the guidelines on the subject as may be issued from Government, from time to time and applicable on the company.

9. Transfer of unspent CSR amount

Until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 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.

10. Removal of difficulty

In case of any doubt with regard to any provision of the policy a reference to be made to the Board of Directors of the Company. In all such matters, the interpretation & decision of the Board of Directors shall be final.

11. Disclosure of CSR Policy and CSR Activities in Board Report

As per section 135 of the Act read with rules made there under, the Board's Report of the company shall disclose an annual report on CSR containing particulars specified in Annexure I, as applicable in Board's Report of the company, as prescribed in the Companies (Corporate Social Responsibility) Rules as amended from time to time.

As per section 135(4), the Board shall disclose the contents of CSR policy in Board's Report and the same shall be displayed on the **company's website, if any**.

[Annexure -I]

Format For The Annual Report on CSR Activities to be Included in the Board's Report For Financial Year Commencing on or After 1st Day of April, 2020

1. Brief outline on CSR Policy of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
	Total		

6. Average net profit of the company as per section 135(5).

7. (a) Two percent of average net profit of the company as per section 135(5)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year, if any

(d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
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Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District.						Name	CSR Registration number.
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	Total								

- (d) Amount spent in Administrative Overheads
(e) Amount spent on Impact Assessment, if applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)
(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.							

2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chief Financial Officer)
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