

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. Overview

1. NIIT Limited (“**NIIT**”) is a leading Global talent development company engaged in the business of providing comprehensive learning solutions to Corporate and Individuals, assessment services, IT, e-Learning, Content and Curriculum development and Training delivery. NIIT’s Vision document expresses “Each of us will ensure that in any association with society, society benefits substantially more than what society gives to us and what society would gain from any other similar association.
2. The corporate sector controls a significant portion of the society’s resources and therefore, it is imperative for companies to draw a balance between their right to grow and their responsibilities towards society and the environment. The concept of Corporate Social Responsibility (“**CSR**”) acknowledges the duty that a company owes to the community within which it operates as a stakeholder and it urges a company to embrace the “triple bottom-line” approach whereby its financial performance can be harmonized with the expectations of society, the environment and the many stakeholders it interfaces with and not just its own shareholders and employees.
3. In the past, NIIT has been making grants to NIIT University, a self-financing and non-for-profit institution located in Neemrana, Rajasthan (“**NU**”), established as a private university through an act by the State of Rajasthan. NU has been established with the objective to provide seamless, industry linked, technology based, research driven doctoral programs as well as under graduate and post graduate education. NU is promoted by NIIT Institute of Information Technology (“**TNI**”), a society registered under the Societies Registration Act, 1860 (Central Act No. 21 of 1860). The NU initiative promotes high quality higher education leading to research and employment opportunities.

NIIT has also been engaged in providing educational and vocational training through a not-for-profit foundation established for charitable purposes i.e., NIIT Foundation (“**NF**”), a society registered under the Societies Registration Act, 1860 (Central Act No. 21 of 1860). NF imparts skills training to the underprivileged communities, resulting in enhanced employability and new livelihoods.

NIIT shall continue its CSR activities in a manner that is compliant with Section 135 of the Companies Act, 2013 (“**Act**”) and the rules framed thereunder.

II. NIIT’s CSR Policy

4. This CSR policy (“**Policy**”) spells out NIIT’s philosophy towards its social responsibilities and lays down the guidelines, framework and mechanism relating to the implementation, monitoring, reporting, disclosure, evaluation and assessment of projects, programs and activities forming part of NIIT’s CSR.
5. The CSR Committee is empowered to recommend amendments or modifications to this Policy and such changes shall be placed before the Board of Directors of NIIT (“**Board**”) for approval. This Policy shall be displayed on the company’s website.

III. NIIT’s CSR Vision

6. NIIT recognizes that CSR involves ongoing commitment by businesses to contribute to the economic and social development of the society while improving the quality of life and building capacities of the local community and society at large.

IV. Objectives of the CSR Policy

7. Through its CSR activities NIIT seeks to:

- (i) Promote the desire for learning and knowledge at every stage;
- (ii) Significantly improve the quality of higher education and help in developing employment enhancing vocational skills;
- (iii) Build social trusts;
- (iv) Provide infrastructure support to build and sustain schools and educational institutions and undertake other infrastructure improvement programs;
- (v) Promote employment, community development and welfare;
- (vi) Contribute towards environmental sustainability, ecological balance, protection of flora and fauna, agroforestry and conservation of natural resources;
- (vii) Inculcate a sense of empathy and equity among employees of NIIT by motivating them to give back to the society by involving them directly in the initiatives undertaken as part of CSR; and
- (viii) Generate goodwill through its CSR initiatives and help reinforce a positive and socially responsible image.

V. Applicability of the Policy

- 8. This CSR Policy shall be implemented in accordance with the provisions of Section 135 of the Act and the rules thereunder. It shall apply to all projects / activities undertaken by NIIT in India as per Schedule VII of the Act.
- 9. The CSR activities shall not include activities undertaken by NIIT in pursuance of the normal course of its business.
- 10. Projects, programs or activities that solely benefit the employees of NIIT and their families shall not be considered as CSR activities under this Policy.

VI. CSR Committee

- 11. The CSR Committee has been constituted in accordance with the provisions of the Act. It shall comprise 3 (three) or more directors of which, at least 1 (one) director shall be an independent director. Permanent invitees to the meetings of the CSR Committee shall include the Group Financial Adviser, Chief Financial Officer, Chief People Officer and Company Secretary of NIIT. The CSR Committee may invite other invitees/specialists, as and when required.

VII. Role of the CSR Committee

12. The CSR Committee shall be responsible for:

- (i) Formulating this CSR Policy in accordance with the provisions of the Act and rules thereunder and recommending modifications to the same in a periodical manner;

- (ii) Identification of the initiatives and specification of the projects and programs for CSR and recommending the same to the Board;
- (iii) Recommending the CSR budget and amount of expenditure to be incurred by NIIT on CSR activities;
- (iv) Putting in place a transparent monitoring mechanism for implementation of the programs, projects and activities undertaken under this Policy and proper utilization of funds;
- (v) Periodically updating the Board on the progress being made in the planned activities; and
- (vi) Providing a responsibility statement in the Board's report as to whether the implementation of the projects and programs is in compliance with and fulfills the objectives of this Policy.

VIII. CSR Cell

13. The CSR Cell has been constituted to assist the CSR Committee with the implementation and impact assessment of the CSR initiatives & development of plan. The CSR Cell comprises of the following:
- (i) Group Financial Advisor;
 - (ii) Chief Financial Officer;
 - (iii) Chief People Officer;
 - (iv) Company Secretary; and
 - (v) Staff Members of NIIT, as appointed by the Chief Financial Officer and Chief People Officer from time to time.

IX. Role of the CSR Cell

14. The CSR Cell shall be responsible for:
- (i) Determining the modalities of execution including targets and timelines in consultation with the CSR Committee;
 - (ii) Ensuring that implementation of all projects, programs and activities is being carried on in accordance with the above;
 - (iii) Maintaining documents and accounts pertaining to all CSR activities of NIIT;
 - (iv) Providing periodic reports to the CSR Committee on implementation as well as assessment carried out through field visits and feedback sessions; and
 - (v) Assisting the CSR Committee in preparation of the annual report on CSR.

X. Projects, Programs and Activities

15. The CSR Committee shall identify & evaluate programs, projects and activities in line with this Policy and place it for the approval of the Board. The identification of the programs, projects and activities shall be based on internal assessment, receipt of proposals, ground-level discussions and studies by professional bodies.

16. NIIT shall develop a strategy with respect to new projects or programs after identifying the target group and focus areas it wishes to harness; operationalize the institutional mechanism i.e., choosing the implementing agency whether in-house or out-sourced and identifying the implementation model which could range from giving grants to direct project execution; develop the project with defined activities, targets, timelines, budgets etc., finalize the arrangement with the implementing agency so selected; and continue monitoring of progress and reporting.
17. In the event any of NIIT's subsidiaries in India meet the thresholds set out in Section 135 of the Act and are thereby obligated to undertake CSR in accordance with the Act and the rules, NIIT may collaborate with such subsidiaries for undertaking projects or programs or activities in a manner such that the CSR Committee of NIIT as well as the committees of its subsidiaries are in a position to report separately on such programs, programs or activities, in accordance with the prescribed law.

XI. Implementation

18. NIIT shall continue to undertake its CSR activities directly or through NU, NF and such other NGOs or agencies that meet the criteria prescribed under law.
19. The projects, programs or activities identified by the CSR Committee and approved by the Board shall be implemented in a project mode through the CSR Cell which will entail charting the stages of execution through planned processes, measurable targets, mobilization and allocation of budgets and prescribed timelines. It also involves assigning of responsibility and accountability. Suitable documents / agreements shall be entered into with NU, NF and the other agencies for the purposes of implementation of the projects. The conditions of grant of amounts for all CSR activities, projects and programs and the break-up of the allocations shall be set out and evaluated from time to time.
20. The Chief Financial Officer or any other person holding the equivalent position shall certify to the Board of Directors of NIIT that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.

XII. CSR Expenditure, Allocation and Disbursement of Funds

21. The CSR Committee shall recommend the annual budget for each project, program or activity in accordance with this CSR Policy and applicable law, for the consideration and approval of the Board. The CSR Committee will also determine and recommend to the Board for its approval, the allocation and distribution of CSR spends within the different projects, programs and activities undertaken. The schedule of disbursements shall be linked to the planned projects / activities.
22. The CSR expenditure shall be a minimum of 2% of the average net profit during the 3 (three) immediately preceding financial years (or such other amount as may be provided under applicable law) calculated as per provisions of applicable law in this regard.;

In case NIIT spends an amount in excess of the minimum required CSR spend provided under law, such excess amount may be set off against the future requirement to spend up to immediate succeeding three financial years (or such other prescribed period) subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - (ii) the Board of the company shall pass a resolution to that effect.
23. The CSR Committee shall ensure that any income or surplus arising out of the CSR activities shall not form part of the business profit of a company. Such income or surplus:

- a) 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
 - b) shall be transferred to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.
24. The overall CSR expenditure shall be approved by the Board in its meeting based on the recommendations of the CSR Committee. CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee.
25. The CSR Cell may, in consultation with the CSR Committee, decide to build CSR capacities of its own personnel as well as those of NU, NF and the other agencies. However, the expenditure towards the same including any other administrative expenditure shall not exceed 5% of the total CSR expenditure of NIIT in one financial year.
26. The CSR amount may be spent by a company for creation or acquisition of a capital asset, as may be specified under the Act.

XIII. Action Plan

27. The CSR Committee shall formulate and recommend to the Board, an annual action plan at the beginning of every year in pursuance of its CSR policy, which shall include the following, namely:-
- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
 - (b) the manner of execution of such projects or programmes;
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

XIV Monitoring

28. The CSR Committee will monitor the programs and projects to ensure that they are being carried out in compliance with this Policy and the Act and in accordance with the approved budget. Money expended towards CSR shall be released only against verification of utilization of funds as per approved work-plans and timelines. Verification may be done through review of documents, field visits and through an active feedback mechanism.
29. To ensure effective implementation of the CSR projects, programs and activities undertaken in terms of the Policy, the progress of each such project, program and activity will be reviewed by the CSR Committee on a quarterly basis, with all requisite documentation. Such reviews shall be carried out with the objective of identifying slippages, if any, and taking appropriate corrective action to resolve such slippages after thorough discussions with the CSR Cell.

30. All CSR activities and expenses made thereon will be audited in a transparent manner.
31. Any surplus arising out of CSR projects/programs or activities shall not form part of the business profits and shall be invested into the CSR program/project.
32. In the event it is observed that any CSR activity taken up is not being implemented in the desired manner, the CSR Committee may, with the approval of the Board, discontinue funding of such project at any time during the course of implementation and deploy such funds for any other project/activity or program.

XV. Impact Assessment

33. Regular and interactive feedback sessions shall be conducted at all levels i.e., with NU, NF and the other NGOs through which CSR activities are being undertaken as well as the respective beneficiaries of all CSR activities undertaken by NIIT.
34. Field visits shall be conducted at regular intervals to ensure effective implementation.
35. Proper documentation shall be done in an MIS format to record key observations of such feedback sessions and field-visits.
36. Whenever NIIT has average CSR obligation of ten crore rupees or more (or such other amount as may be provided under applicable law) in the three immediately preceding financial years, NIIT shall undertake impact assessment of its 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, through an independent agency. Reports shall be prepared pursuant to such evaluation/assessment. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

Further impact assessment expenditure towards Corporate Social Responsibility for that financial year, shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

XVI. Reporting

37. A half yearly report on implementation shall be submitted to the Board by the CSR Committee.
38. The CSR Committee shall prepare an annual report on CSR, in the format prescribed under the Act and such report shall be included in the Board's report annexed to the financial statements. The report shall be signed by the Chairman of the CSR Committee and anyone of Chairman/Managing Director/CEO/Director of NIIT.

XVII. General

39. The CSR Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. NIIT reserves the right to modify, cancel or amend this Policy from time to time based on changing needs and aspirations of the target beneficiaries.