

NATIONAL INTERNET EXCHANGE OF INDIA
CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble:

Along with sustained economic performance, social and environmental stewardship is also a key factor for holistic business growth. With a view for promotion of Internet and building a viable Internet ecosystem within the Country, National Internet Exchange of India (NIXI) was set up as a not-for-profit organization under section 25 of the Companies Act, 1956 (now section 8 under Companies Act, 2013) for peering of ISPs among themselves and routing the domestic traffic within the country aimed at providing a dedicated approach to community development. It is also entrusted with the following sovereign functions:

- .IN Registry and Internationalized Domain Names (IDNs)
- National Internet Registry (NIR)

In line with the sustainable growth model of the company and pursuant to the applicability of the provisions of Section 135 of the Companies Act, 2013 and rules framed thereunder we are required to comply with the provisions pertaining to Corporate Social Responsibility (CSR) and the rules framed thereunder. Henceforth, it is incumbent upon the company to formulate, review and modify the CSR policy of the company.

2. Company Objectives

1. Improve quality of life of communities through long-term value creation for all stakeholders.
2. Strive for economic development by protecting and promoting the interest of the Internet users around the country specifically in the rural areas such as creation of free WiFi zones.
3. Financially supporting deserving candidates to present a research paper, chair a session or deliver keynote address in an international scientific event in the area of internet technology/ policy development and to engage with global counterparts and stay informed of the latest developments.

3. Title & Applicability

This policy may be as called Corporate Social Responsibility Policy of NIXI (CSR Policy) and shall apply to all CSR projects and programmes as required to be undertaken as per Section 135 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended time to time, for the benefit of marginalized, disadvantaged, poor or deprived sections of the community and the environment.

4. Definitions:

The terms used in this Policy shall have the same meaning as assigned under the relevant provisions of the Companies Act, 2013 and rules made there under.

The list of CSR activities that may be undertaken by the Company will be as per **Annexure 1**.

5. CSR Committee:

NIXI has constituted a CSR Committee of the Board in compliance with the statutory requirement of the Companies Act, 2013. The Board of Directors of the company shall re-constitute the CSR Committee from time to time in compliance with statutory requirements. The CSR Committee shall comprise of a minimum of three directors.

6. Frequency of Meetings & Quorum:

The meetings of the CSR Committee may be held at such periodic intervals as may be required from time to time. However, the CSR committee may conduct at least one meeting in a financial year.

7. Quorum:

One-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher shall constitute a quorum for the Committee meeting.

8. Chairman:

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

9. Responsibilities of the CSR Committee:

- i. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company specified in the Schedule VII of the Companies Act, 2013;
- ii. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs and activities undertaken by the Company
- iii. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- iv. To monitor the CSR policy of the Company from time to time;
- v. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy and in accordance with the Rules;
- vi. Any other matter as the Committee may deem appropriate after approval of the

Board of Directors or as may be directed by the Board of Directors from time to time.

10. Role of the Board of Directors:

- i. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company;
- ii. Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Companies Act, 2013 in pursuance of its CSR policy.
- iii. As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report and make necessary disclosure in the Board Report.
- iv. Constantly monitor the implementation of the CSR activities. The CSR committee shall place a progress report, including details of expenses, before the Board on regular basis. The Board shall review the same and suggest recommendation, if any, to the committee with regard to implementation process.

11. Implementing Agency:

The approved CSR activities, projects and programmes shall be carried out directly by the company or through an Implementing Agency in any of the following ways as the Board on recommendation of CSR Committee, in its absolute discretion, may decide:

- i. 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
- ii. 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
- iii. any entity established under an Act of Parliament or a State legislature; or
- iv. 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.

The above referred agencies shall have the unique CSR Registration Number obtained after filing of e-form CSR-1.

The Company may also undertake CSR projects or activities in collaboration with other corporate.

The company shall on regular basis screen the implementation agency to ensure its creditability and ability to execute the project with utmost effectiveness.

12. CSR Team:

An internal CSR Team may be constituted by the CSR Committee and it will be responsible for the actual on-ground implementation of various CSR projects. They will also be responsible for:

- i. the execution of the decisions taken by the Board/CSR Committee;
- ii. To evaluate possible projects to be selected as CSR Projects;
- iii. To find suitable implementation partners, conduct due diligence and get approval from the Committee/Board, as may be required;
- iv. To evaluate possible collaborations with other organizations on CSR projects;
- v. To provide progress reports to the CSR Committee and the committee shall further evaluate the progress report and recommend to the board for their consideration.
- vi. To implement projects based on set targets and action plans and regularly monitor them;

13. Selection, Funding and Monitoring mechanism:

- i. The CSR Activities would be selected for implementation by the Company in compliance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013.
- ii. The funding and evaluation of the projects for CSR shall be made in accordance with the project guidelines of NIXI as formulated from time to time.
- iii. On recommendation of CSR team and if in case progress of CSR Projects is not as per the defined milestones, the project will be evaluated by the CSR committee. If the CSR Committee finds that the project is not sustainable or needs modification, it will send its recommendation to the Board for necessary approval with reasonable justification.
- iv. All CSR Projects/Activities shall be monitored directly by the CSR Committee and the Board through the CSR Team.
- v. The CEO, NIXI is authorised to ensure the compliance with the CSR Policy of the company.

14. Budget for CSR Activity& CSR Expenditure:

- i. The Board, on the recommendation of its CSR Committee, shall approve overall limits for CSR projects or programmes to be undertaken by the Company during the financial year.
- ii. The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediately preceding financial years calculated in accordance with provisions of

the Act.

- iii. The Company will prefer to take up CSR projects or programmes for spending the amount earmarked for CSR at local areas and regions where the Company operates.
- iv. While approving any CSR Projects or programmes which will be treated as an Ongoing Project, the Board shall lay down the following:
 - Estimated budget outlay on CSR projects or programmes during the course of its implementation;
 - Estimated budget outlay during every financial year;
 - Manner of implementation;
 - Other necessary details
- v. In case of CSR projects or programmes, which are not Ongoing Projects, the Board shall endeavor to complete such projects or programmes during the relevant financial year. In case for any reason(s), such projects or programmes will go beyond one year then Board may re-categories such projects or programmes as Ongoing Projects on reasonable justification.
- vi. If during any financial year, the Company is not able to meet its CSR obligation, then the unspent amount shall be treated in the manner provided in the Act.
- vii. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- viii. The CSR amount can be utilized to create capital assets, but such assets shall be held by company registered under section 8 of the Act, or registered public trust or registered society having charitable objectives and having CSR Registration Number; or beneficiaries of the said CSR project (in the form of self-help groups, collectives, entities); or public authority as approved by the Board.
- ix. Any surplus arising out of the CSR projects, programs or activities will not form part of the business profit of the company and shall be treated in the following manner:
 - ploughed back into the same project; or
 - shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan of the Company; or
 - such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.
- x. Carry forward of excess CSR expenditure: The Board may during any financial year, approve CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR expenditure spent shall be carried forward for setting-off against the CSR obligation of the Company for next three consecutive financial years.

15. Disclosure of the CSR Policy:

The Board will annually publish report on the CSR projects as a part of the Board's report. The report will disclose information in the format as prescribed under Section 135 of the Companies Act, 2013.

The CSR policy approved by the Board along with other statutory requirements shall be displayed on the Company's website and shall be disclosed in the Board's report.

16. Effective Date and amendment in the Policy

This Policy shall supersede any prior CSR policy approved by the company and shall come into force with effect from 27th September, 2022.

This CSR policy document will be reviewed from time to time and any changes, if necessary, as recommended by the CSR Committee shall be approved by the Board.

Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time this Policy is amended to conform to the applicable law, rule, regulation or standard.

Composition of CSR Committee is as follows:

S. No.	Name	Designation
1	Dr. Sanjay Bahl	Chairman
2	Dr. Devesh Tyagi	Member
3	Shri Shyam Sreedharan Nair	Member
4	Shri Rajesh Sanmukhlal Panwala	Member

CSR Projects approved by the Board

- a) Women Empowerment
- b) Eradicating Hunger and Poverty
- c) Promoting education (vocational or non-vocational)
- d) Cyber security awareness and setting up of computer labs

ANNEXURE 1

CSR Activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013:

1.	Eradicating hunger, poverty and malnutrition; promoting healthcare, including preventive health care; and sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2.	Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
3.	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;
4.	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 the rejuvenation of river Ganga;
5.	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;
6.	Measures for the benefit of armed-forces veterans, war-widows and their dependents;
7.	Training to promote rural sports, nationally-recognised sports, Paralympic sports and Olympic sports.
8.	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;
9.	Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
10.	Rural development projects.
11.	Slum area development.

Additional items that may be included in CSR Policy as per the MCA circular no. 21/2014:

- i) "Educating the Masses and Promotion of Road Safety awareness in all facets of road usage (Schedule VII (ii) under "promoting education")
- ii) Drivers" training (Schedule VII (ii) under "vocational skills".)
- iii) Safety traffic engineering and awareness through print, audio and visual media" should be included. (Schedule VII (ii) under "promoting education")
- iv) Social Business Projects : "giving medical and Legal aid, treatment to roadaccident victims" should be included. (Schedule VII (i) under „promoting health care including preventive health care.)
- v) Provisions for aids and appliances to the differently- able persons (Schedule VII (i)under „promoting health care including preventive health care.)
- vi) Capacity building for farmers covering best sustainable farm management practices. (Schedule VII (ii) under "Vocational skill" livelihood enhancement projects)
- vii) Training Agriculture Labour on skill development. (Schedule VII (ii) under "Vocational skill")
- viii) Doing our own research on the field for individual crops to find out the most cost optimum and Agri – ecological sustainable farm practices. (Applied research) with a focus on water management. (Schedule VII (iv) under Ecological balance maintaining quality of soil, air and water")
- ix) To do Product Life Cycle analysis from the soil conservation point of view.(Schedule VII (iv) under "Conservation of natural resource" and „maintaining quality of soil, air and water".
- x) Providing effective consumer grievance redressal mechanism; Protecting consumer"s health and safety, sustainable consumption, consumer service, support and complaint resolution; Consumer protection activities; Consumer Rights to be mandated; all consumer protection programs and activities on the same lines as Rural Development, Education etc. (Schedule VII (ii) under "promoting education".)
- xi) Donations to IIMA for conservation of buildings and renovation of classrooms (Schedule VII (ii) under "promoting education")
- xii) Non-Academic Technopark TBI not located within an academic Institution but approved and supported by Department of Science and Technology. (Schedule VII (ii) under "promoting education", if approved by Department of Science and Technology.)
- xiii) Disaster relief: Disaster relief can cover wide range of activities that can be appropriately shown under various items listed in Schedule VII. For example,
 - medical aid can be covered under „promoting health care including preventive healthcare.
 - food supply can be covered under eradicating hunger, poverty and malnutrition.
 - supply of clean water can be covered under „sanitation and making available safe

drinking water".

- xiv) Trauma care around highways in case of road accidents. (Schedule VII (i) under "health care")
- xv) Supplementing of Govt. schemes like mid-day meal by corporates through additional nutrition. (Schedule VII (i) under "poverty and malnutrition")
- xvi) Enabling access to, or improving the delivery of, public health systems. (Schedule VII (i) or (iii) under the heads of "healthcare" or "measures for reducing inequalities faced by socially & economically backward groups", depending on the context)
- xvii) slum re-development or EWS housing (Schedule VII (iii) under "measures for reducing inequalities faced by socially & economically backward groups")
- xviii) Renewable energy projects (Schedule VII (iv) under „Environmental sustainability, ecological balance and conservation of natural resources“)
- xviii) Contribution to the Corpus of a Trust/Society/Section 8 companies etc. will qualify as CSR expenditure as long as:
 - a) the Trust/Society/Section 8 company etc. is created exclusively for undertaking CSR activities, or
 - b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

Activities not covered under Schedule VII as per the MCA circular no. 21/2014 and 01/2016:

- i) Training to enforcement personnel,
- ii) Capacity building of government officials and elected representatives – both in the area of PPPs and urban infrastructure.
- iii) Sustainable urban development and urban public transport systems
- iv) US-India Physicians Exchange Program – broadly speaking, this would be program that provides for the professional exchange of physicians between India and the United States.
- v) CSR projects or programs or activities that benefit only the employees of the company and their families.
- vi) One-off events such as marathons / awards / charitable contribution / advertisement / sponsorships of TV programmes etc.
- vii) Expenses incurred by companies for the fulfillment of any other Act/Statute of regulations (such as Labour Laws, Land Acquisition Act, 2013, Apprentices Act, 1961, etc.)
- viii) Contribution of any amount directly or indirectly to any political party
- ix) Activities undertaken by company in pursuance of its normal course of business
- x) Projects or programmes or activities undertaken outside India.

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