

Existing Framework & review process for financials & potential liabilities/risks of Portfolio Companies

At NIIF Fund Level

Regular interactions with portfolio companies

DIRECT INVESTMENTS

- Quarterly reviews
- Site visits
- Meetings with the management team
- Monthly/quarterly MIS
 - Comprehensive MIS, including adequate coverage of ESG & HSE parameters as agreed with portfolio companies

INDIRECT INVESTMENTS

- Regular monitoring of activities of the portfolio fund manager
- Identifying opportunities to assist the portfolio fund manager by using NIIFL's network in fundraising, investments, policy support, regulatory engagement, co-investments, etc.



Quarterly Portfolio Review (QPR)*

- Investment Team provides update to QPR Committee consisting of IC members on
 - Business and operational performance of the Portfolio Company
 - Comparison of financial projections versus actuals as well as an investment case
 - Coverage on the ESG and HSE aspects for each of the Portfolio Companies
 - Critical risks associated with the business of the Portfolio Companies and assesses them and demonstrates the mitigation plan
- QPR is attended by senior management of NIIF Limited
- Investment Team discusses any specific issues, including management issues and formulates remedial action plans for each of the Portfolio Companies
- Post QPR, comprehensive valuation exercise for each investment, based on the valuation policy is undertaken.
- The fund investors are provided with a quarterly report consisting of financial performance, business issues and valuation of the investments

At Portfolio Company Level

Board Level

- NIIF Funds are represented on the board/shareholder level of each Portfolio Company through a senior management team member of NIIF Limited.
- Board and its committees ensure oversight of operations of the Portfolio Companies with adequate checks and balances
 - by putting in place high caliber management teams, policy framework and proper supervision through internal and statutory auditors.
- Any guidance on the risks arising out of the company's operations is addressed through Board / committee meetings, as well as other operational level committees that may be set up in Portfolio Companies.



Policies

Each portfolio company has a comprehensive policy framework. Wherever applicable, portfolio company adheres to NIIFL policy as agreed contractually.