

SREI INFRASTRUCTURE FINANCE LIMITED

Corporate Social Responsibility Policy *(Framed under Section 135(3)(a) of the Companies Act, 2013)*

Version 2.0

Preamble

Section 135 of the Companies Act, 2013 (“Act”) read with Schedule VII of the Act, the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”) and other applicable provisions of the Act [hereinafter referred to as ‘Applicable Law’] introduced the requirement for prescribed class of companies to spend, in every financial year, at least 2% of its average net profits made during the three immediately preceding financial years towards specified social and economic causes.

The Company’s CSR Policy is 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.

Applicability

As per the provisions of Applicable Laws, the Company constituted the CSR Committee and also formulated the Corporate Social Responsibility Policy of the Company (“Srei CSR Policy”).

Effective Date

The Srei CSR policy was formulated and recommended by the CSR Committee at its meeting held on August 02, 2014. The Board of Directors of the Company, based on the recommendation of the CSR Committee, had adopted the Srei CSR Policy at its meeting held on November 10, 2014, with effect from the same date.

Considering various amendments in Schedule VII to the Act from time to time and to align the Srei CSR Policy with the amendments in the provisions of the Applicable Law, the Policy has been reviewed and accordingly amended by CSR Committee at its meeting held on 16th June, 2021 and approved by the Board of Directors (Board) on 30th June, 2021. The revised policy shall take effect from 30th June, 2021.

In exercise of the powers conferred on the Reserve Bank of India (RBI) under Section 45-IE (1) of the RBI Act, 1934, the Reserve Bank of India (RBI) has issued an Order / Press Release w.r.t. the Supersession of the Board of Directors of Srei Infrastructure Finance Limited with immediate effect. Shri Rajneesh Sharma has been appointed as the Administrator under Section 45-IE(2) of the RBI Act, 1934. Further, pursuant to the Order dated 8th October, 2021

of the National Company Law Tribunal, Kolkata Bench (“NCLT”), corporate insolvency resolution process (“CIRP”) has been initiated against Srei Infrastructure Finance Limited as per the provisions of the Insolvency and Bankruptcy Code, 2016 (“Code”). The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

Therefore, any reference to the words "Board/ Committee" in the Policy/Code shall be referred to as "Administrator/Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP.

Objective

Our objective as a corporate citizen is to manage business with long term objectives in a way which produces a positive impact on the economy, society and environment encompassing all stakeholders. The shareholders have been encouraging the business to weave in its fabric the thread of social accountability in service to humanity since its inception over 30 years.

Interpretation of Terms

The meaning of terms and expressions used in this policy shall be construed in accordance with the Applicable Law.

CSR Vision and Mission

Taking CSR as a sustainable social initiative, we aim to align and integrate our resources with society’s developmental needs towards creating a better tomorrow.

CSR Expenditure

1. The Company shall, in each financial year, spend a minimum amount of 2% (two per cent) of the average net profits made during the 3 (three) immediately preceding financial years or such higher amount as may be recommended by the CSR Committee and approved by the Board of Directors of the Company in accordance with the annual action plan.
2. In any financial year, if the Company is unable to spend such amount, the Company shall

in its Board's Report made under Section 134(3)(o) of the Act, specify the reasons for not spending the amount.

3. The Board shall ensure that the administrative overheads shall not exceed 5% (five percent) of total CSR expenditure of the Company for the Financial Year.
4. 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 specified in Schedule VII of the Act, within a period of 6 (six) months of the expiry of the Financial Year.
5. Where the Company spends an amount in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under Section 135(5) of the Act up to immediate succeeding 3 (three) Financial Years 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.
6. 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.

Transfer of unspent CSR amount

The unspent CSR amount, if any, shall be transferred by the Company to any fund included in Schedule VII of the Companies Act, 2013, until a fund is specified in Schedule VII for the purposes of sub-section (5) and (6) of section 135 of the Act.

Pursuant to second proviso to sub-section (5) of the Act, if the Company fails to spend minimum requirement as per the Act, the Board shall, in its report specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6) of section 135 of the Act, transfer such unspent amount to a Fund specified in

Schedule VII, within a period of 6 (six) months of the expiry of the Financial Year.

Further, sub-section (6) of section 135 of the Act, any amount remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of 30 (thirty) days from the end of the financial year to a special account to be opened by the Company in that behalf for that Financial Year in any Scheduled Bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3 (three) financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 (thirty) days from the date of completion of the third financial year.

CSR Implementation

The Board shall ensure that the CSR activities are undertaken by the Company itself or through -

- 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
- 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
- c. any entity established under an Act of Parliament or a State legislature; or
- 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 3 (three) years in undertaking similar activities.

Every entity, as mentioned above, who intends to undertake any CSR activity, shall register itself with the Central Government as per Applicable Laws except for CSR projects or programmes approved prior to the 1st day of April, 2021.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programmes in accordance with applicable CSR Rules.

The Board of the Company 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 (CFO) of the Company shall certify to the effect.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

In this regard, the CSR Committee has the powers to:

- a. Seek monitoring and implementation report from organizations receiving funds on a periodical basis.
- b. Delegate a designated company official to co-ordinate with the organization receiving funds to inspect the activities undertaken and ensure information in a timely manner.

Additionally, the Company may empower the members of the CSR Committee to spend such amount as they think appropriate for some other strategic CSR contingencies that may arise during any financial year in accordance with the provisions of Applicable Law. The amount spent as above shall be put up for ratification of the committee at its next meeting and shall report to the Board accordingly.

Approach to CSR

To attain our objective, vision and mission, a public charitable trust in the name of 'Srei Foundation' got established with the belief of Service to humanity.

In the short run our approach will be that CSR activities are being undertaken by the business in multiple ways:

- a. Independently
- b. Jointly with Srei Foundation, Srihari Global IISD Foundation, Acid Survivors and Women Welfare Foundation, etc.
- c. In partnership with external social bodies / NGOs or any other external implementation agencies, eligible for carrying the CSR activities as prescribed under the Applicable Law

Going forward, in the long-run, the social activities will see more focus under the banner of Srei Foundation, Srihari Global IISD Foundation and Acid Survivors and Women Welfare

Foundation, in working towards creation of value for the *society in a manner which will be sustainable, scalable and replicable.*

CSR Thrust Areas

Our activities will be carried out on multiple lines:

a. *Education and Skills Development:*

Supporting education institutions and providing opportunities to deserving students (from marginalized sections of society) through various channels.

b. *Healthcare / Medical facilities:*

Ensure and promote a culture of healthy workforce by creating awareness and raising consciousness among people.

c. *Social and Economic Welfare:*

Support the cause of building social institutions by advancing financial grant towards construction of houses, girl marriage & other social essentialities to the under-served.

d. *Environmental Sustainability:*

Raise consciousness towards building a healthy environment among the stakeholders and community at large.

Exclusion from CSR

The following activities shall not form a part of the CSR activities of the Company:

- a. The activities undertaken in pursuance of the normal course of business of the Company
- b. 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
- c. Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- d. One-off events such as marathons/ awards/ charitable contribution/ advertisements / sponsorship of TV programmes etc. will not qualify as part of CSR expenditure;
- e. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- f. Activities supported by the Company on sponsorship basis for deriving marketing benefits

- for its products or services;
- g. Activities carried out for fulfillment of any other statutory obligations under any law in force in India;
 - h. Such other exclusions as may be prescribed under the Applicable Law from time to time.

CSR Committee and its Role

The following shall be the broad area of the terms of reference of the Committee, constituted as per Applicable Law:

- a. Formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, including:
 - i. list of activities that can be undertaken by the Company in areas or subjects as specified in Schedule VII of the Companies Act, 2013,
 - ii. guiding principles for selection, implementation and monitoring of activities, formulation of the annual action plan;
- b. Recommending the amount of expenditure to be incurred on the activities referred to in clause (a) above;
- c. Reviewing the CSR expenditure and CSR Policy;
- d. In case of ongoing project, reviewing and monitoring the implementation of the project with reference to the approved timelines and year-wise allocation and recommend to the Board to make modifications, if any, for smooth implementation of the project within the overall permissible time period;
- e. Formulating and recommending to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - i. 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;
 - ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the Company;
- f. Deal with such matters as may be delegated / referred to by the Board of Directors from time to time; and
- g. Delegate any of the above matters to any executive of the Company and / or any sub –

committee except those not allowed to be delegated under law;

Further, the Board of Directors 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.

Where the amount to be spent by the Company towards CSR activities does not exceed Rs. 50 (fifty) Lakh, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of CSR Committee in such cases be discharged by the Board of Directors of the Company.

CSR Reporting

- a. The Board's Report of the Company pertaining to any financial year shall include an annual report on CSR containing particulars as may be specified.
- b. In case the Company has average CSR obligation of Rs. 10 Crores (Rupees Ten Crore Only) or more in the 3 (three) immediately preceding Financial Years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crore (Rupees One Crore Only) or more, and which have been completed not less than 1 (one) year before undertaking the impact study.
- c. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- d. In case the Company is undertaking impact assessment, it may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 5% (five percent) of the total CSR expenditure for that financial year or Rs. 50 Lakhs (Rupees Fifty Lacs Only), whichever is less.
- e. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, CSR Policy and Projects approved by the Board on its website for public access.

Our Board of Directors, the Company Management and all our employees are being encouraged to internalize our CSR philosophy of going beyond profit seeking. We stand committed to all the necessary resources required to meet the goals of Corporate Social Responsibility.

Date: 14.02.2022

