

XANDER FINANCE PRIVATE LIMITED (XFPL)

CORPORATE SOCIAL RESPONSIBILITY POLICY ('CSR Policy')

Date of review: Reviewed in the Board Meeting held on February 10, 2022

1. PREFACE

Xander Finance Private Limited ('XFPL' or 'Company') is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non-Deposit Accepting Non-Banking Financial Company (NBFC-ND-SI). The Company provides end to end credit solutions including advisory services, deal structuring, financing, and workouts to investors, developers, asset owners, private equity owners and large corporations across a range of industries.

XFPL aims at conducting its business in a way that the Company achieves its business goals and objectives with a due consideration of community's economic, environmental and social aspirations and therefore commits to integrate Corporate Social Responsibility ('CSR') with its business processes.

XFPL has developed this policy titled 'Corporate Social Responsibility Policy' ('CSR Policy') encompassing the Company's philosophy for being a responsible corporate citizen and lays down the principles and mechanism for undertaking various programme in accordance with **Section 135 of the Companies Act, 2013** (the 'Act') read along with the rules and schedules framed therein for the Company at large.

The terms mentioned in the policy shall have meanings as defined under the provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

2. CSR COMMITTEE & COMPOSITION

CSR Committee should comprise of such members of the Board as may be decided by the Board from time to time and there should be minimum three (3) members in the CSR Committee at any point in time.

3. CSR COMMITTEE MEETINGS

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities.

4. CSR PROGRAMME & PROJECTS:

The Company will consistently explore and undertake CSR Programme/ Projects relating to the activities in any of the fields enumerated below with a preference to carry on such activities within the local area(s) around it, wherever it operates:

- 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;

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- 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;
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- 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;
- 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);
- Rural development projects;
- Slum area development, including facilities for building construction workers and families;
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.
- Disaster management, including relief, rehabilitation and reconstruction activities.

5. ANNUAL ALLOCATION OF CSR ACTIVITIES

XFPL shall endeavor that funds to the tune of at least 2% of the ‘average net profits before tax’ during the immediately preceding three financial years as prescribed under section 135 of the Companies Act 2013 and rules made thereunder is allocated towards the CSR programme/ projects as mentioned above. The CSR Committee will recommend the allocation of funds for each programme or project or activities for approval by the Board.

The Company may collaborate or pool resources with other organizations or companies or entities within the same group to undertake CSR activities.

6. IMPLEMENTATION PROCESS

- CSR programme / projects to be undertaken by the Company will be identified by the CSR Committee;
- The Board shall ensure that CSR activities are undertaken by the company 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) 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 three years in undertaking similar activities.
- The 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 its own personnel for CSR. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committee is in a position to report separately on such projects or programmes in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).
- The CSR Committee shall recommend the CSR programme/ projects, specifying modalities of its execution and the amount of expenditure to be incurred on the programme/ projects;
- Upon recommendations of the CSR Committee, the Board shall specifically approve such CSR projects/programs and the amount of expenditure;
- The time period/ duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the program;
- The mode of implementation of CSR programme/ projects may include a combination of direct implementation or implementation through government, own foundation, charity partners, registered societies, civil societies, social partners etc. The Company will select its partners after appropriate due diligence;

- In case of ongoing project, the Board of a Company should monitor the implementation of the project with reference to the approved timelines and year-wise allocation and should be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- The Company may engage the services of external expert agencies, consultancy firms etc. for carrying out any survey, assessment or report with regards to any CSR programmes/ projects to be undertaken by the Company;
- Any surplus arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company;
- The CSR Committee is authorized to settle all queries, differences or doubts that may arise in relation to the implementation of the CSR programmes/ projects as may be approved by the Board.

7. ROLES & RESPONSIBILITIES

a. Board of Directors: The Board of Directors will be responsible for:

- Constitution of CSR Committee;
- Approving the CSR Policy as formulated & recommended by the CSR Committee;
- Upon recommendation of CSR Committee consider and approve CSR programmes/ projects to be undertaken by the Company and amount of expenditure to be incurred on each of the CSR programme/ projects;
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR programme/ projects;
- Disclosing in its Annual Report names of CSR Committee members, the content of the CSR Policy and ensure annual reporting of its CSR activities on the Company website and elsewhere as appropriate;
- Ensuring that it specifies the reasons in its report for not spending the allocated amount in case the Company fails to spend such amount;
- Ensuring the CSR policy, composition of CSR committee and CSR projects as approved are placed on the website of the Company for public access.

b. CSR Committee: The CSR Committee would

- Formulate and recommend the CSR Policy to the Board for approval; identify specific CSR programme/ projects areas to be undertaken during the financial year at the start of the financial year;
- Recommend to the Board for its consideration and approval CSR programmes/ projects identified and to be undertaken during the financial year which are in lines with the activities specified in Schedule VII and amount of expenditure to be incurred for each programme/ projects;

- formulate and recommend to the Board, an annual action plan 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 Act;
 - (b) the manner of execution of such CSR projects or programmes;
 - (c) the modalities of utilisation of funds and implementation schedules for the CSR projects or programmes;
 - (d) monitoring and reporting mechanism for the CSR projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company;
- Monitor the CSR Policy, CSR programmes/ projects from time to time and recommend changes to the Board;
- Constitute a transparent monitoring mechanism for ensuring implementation of the CSR programmes / Projects undertaken by the Company;
- Update the Board on the status of CSR programmes/ projects undertaken by the Company during the financial year and amount of expenditure incurred.

8. CSR EXPENDITURE:

- The Board of Directors of the Company shall ensure that the administrative overheads do not exceed 5% of total CSR expenditure of the Company for the financial year;
- The Company shall ensure that 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 such surplus amount shall be transferred to a Fund more particularly specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year;
- If the Company spends an amount in excess of its CSR obligation, such excess amount can be set off against the mandatory CSR obligation of up to immediate succeeding three financial years subject to the following conditions –
 - (i) the excess amount available for set off should not include the surplus arising out of the CSR activities, if any and
 - (ii) the Board of Directors shall approve and pass a resolution to this effect.
- 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 under sub-rule (2) of rule 4; or
 - b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c) a public authority.

In case if capital asset is created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, it should within a period of one hundred and eighty days from such commencement comply with the requirement of the amended rules, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

9. MONITORING & REPORTING FRAMEWORK

1. A certificate on utilization of funds contributed towards CSR activities for a financial year should be certified by a Chief Financial Officer if any or any such employee who is responsible for financial management and provided to the Board of Directors for their consideration.
2. The Board's Report of the Company should include an annual report on CSR containing particulars as more briefly specified under Companies (Corporate Social Responsibility Policy) Rules, 2014.
3. In case if the CSR obligation of the Company exceeds Rupees Ten crore or more in three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, 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.
4. The impact assessment reports should be placed before the Board and should be annexed to the annual report on CSR.
5. The Company may book the expenditure towards CSR for a respective financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less, in case if the impact assessment study is applicable to the Company for the relevant financial year.

10. REVIEW

This policy needs to be reviewed by the Board of Directors on an annual basis. The recommendations/changes required to be made in this policy may be suggested by the CSR Committee.

Particulars	Date of adoption/ review/ revision
Adoption	7 th September 2015
Review	18 th March 2016
Revision	7 th November 2016
Review	28 th March 2017
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Revision	23 rd March, 2021
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