

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

INTRODUCTION

The Companies Act, 2013 (“**Act**”) under Section 135 has introduced the concept of Corporate Social Responsibility (“**CSR**”). It mandates qualifying companies to formulate a CSR Policy and to constitute a CSR Committee to effectively monitor CSR Activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”) lays down the framework and modalities of carrying out the CSR Projects and programs relating to activities specified in Schedule VII of the Act.

The Companies Act, 2013 (“Act”) read with the Companies (Corporate Social Responsibility) Rules, 2014 (“CSR Rules”) has introduced provisions on CSR, which rests on the ideology of give and take. The term CSR has been defined under the CSR Rules which includes but is not limited to:

- Projects or programs relating to activities specified in the Schedule VII to the Act, or
- Projects or programs relating to activities undertaken by the Board of Directors (“Board”) of a company in pursuance of recommendations of the CSR Committee as per the declared Corporate Social Responsibility Policy (“CSR Policy”) subject to the condition that such policy covers subjects enumerated in the Schedule VII of the Act.

As per the Act and CSR Rules, all qualifying companies are required to spend at least 2% of its average net profits made during the three immediately preceding financial years. This policy would be governed by various applicable provisions of the Act and CSR Rules, for the time being in force.

PHILOSOPHY AND OBJECTIVES

Recognizing that business enterprises are economic organs of society and draw on societal resources, it is the belief of Infinity Fincorp Solutions Private Limited (“**Infinity**”) that a company must contribute to building economic, social and environmental capital towards enhancing societal sustainability. In line with this belief, Infinity intends to craft unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility (“**CSR**”) projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.

The main objective of CSR policy of Infinity is to make CSR a key business process for sustainable development of the society. In alignment with its objective, principles and values, for delineating its responsibility as a socially and environmentally responsible corporate citizen, Infinity aims at supplementing the role of Government in enhancing the welfare of the society within the framework of its policy.

REGULATORY REFERENCES:

- The Companies Act, 2013.
- The Companies (Corporate Social Responsibility) Rules, 2014
- The Companies (Corporate Social Responsibility) Amendment Rules, 2021

CSR POLICY

In the aforesaid backdrop, the Infinity’s CSR policy is broadly framed taking into account the following measures:

- a. The CSR activities shall be undertaken as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business by Infinity.
- b. The CSR activities which are exclusively for the benefit of the Infinity's employees or their family members shall not be considered as Infinity's CSR activity.
- c. Infinity will give preference to the local area(s) around where it operates, for spending the amount earmarked for CSR activities.
- d. Statement containing the CSR approach and direction will be given by the Board.
- e. Guiding principles for selection, implementation and monitoring of activities and formulation of the Annual Action Plan.
- f. The following is the list of CSR projects or programs which Infinity may undertake pursuant to Schedule VII of the Companies Act, 2013:
 - i. eradicating hunger, poverty and malnutrition, promoting healthcare, sanitation and making available safe drinking water;
 - ii. promoting education, including special education, and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
 - iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
 - v. 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;
 - vi. measures for the benefit of armed forces veterans, war widows and their dependents;
 - vii. training to promote rural sports, nationally recognized sports, Para-Olympic sports and Olympic sports;
 - viii. 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;
 - ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
 - x. rural development projects and slum area development;
 - xi. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

IMPLEMENTATION

The Company will undertake its CSR activities in accordance with the provisions of Rule 4 of the CSR Rules, as may be amended from time to time, either itself or through eligible third parties, as under:

- (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 three years in undertaking similar activities.

The CSR activities to be undertaken by the Company shall satisfy the following criterion:

- (a) CSR program will be undertaken by Infinity in areas selected for interventions. Infinity will choose to undertake need assessments as and when it deems fit.
- (b) Infinity will encourage employees for volunteering in community service.
- (c) The time period / duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.
- (d) Infinity may enter into partnerships with the government, business partners and communities to create multiplier effect of its CSR projects.
- (e) The mode of implementation of CSR programs will include a combination of direct implementation and partners such as government schools and college, training institutes, NGOs, business partners, registered societies etc. Infinity will select its activity partners after appropriate due diligence.
- (f) Infinity may also implement the CSR programs through registered trust / foundation / society / company set up by Infinity or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013 or through other registered trust / society / company having an established track record of three years in undertaking the projects or programs proposed to undertaken by Infinity.
- (g) Infinity may use the services of internal teams, expert agencies, consultancy firms etc., wherever required for carrying out base line surveys, guidance on project design and implementation, due diligence of implementation partners, impact assessment surveys etc.

ROLES AND RESPONSIBILITIES

(A) The Board

The Board of Directors of Infinity will be responsible for:

- (a) the approval of the CSR Policy for Infinity;
- (b) disclosing the content of the Policy in its report and ensuring its placement on Infinity's website in such a manner as prescribed under Section 135 of the Companies Act 2013 read with the CSR Rules;
- (c) ensuring that the CSR projects included in the Policy are undertaken by Infinity;
- (d) Ensuring that Infinity spends, in every financial year, at least 2 percent of the average net profits made during the three immediately preceding financial years;
- (e) ensuring that Infinity gives preference to the local areas around its operations for spending the amount earmarked for CSR projects;
- (f) ensuring that it specifies the reasons in its report for not spending the earmarked amount in case it to spend such amount.

(B) CSR Committee

As per Section 135 of the Act every company having net worth of Rs. 500 crores or more or turnover of Rs.1000 crores or more or a net profit of Rs. 5 crores or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of at least three directors. In case of a company, being a private limited company, has only two Directors on its Board, then both the directors should be the members of the CSR Committee.

The CSR Committee comprising of following members of the Board as the member of the Committee;

1. Mr. Ashish Bhargava
2. Mr. Maninder Juneja
3. Mr. Sathyan David

The Board shall have exclusive power to appoint / remove any member of the CSR Committee.

(C) Function of CSR Committee

The CSR Committee shall –

- (a) Formulate and recommend to the Board, a CSR policy and activities to be undertaken by Infinity as per Schedule VII of Companies Act, 2013;
- (b) Recommend the amount of expenditure to be incurred on the activities;
- (c) Monitor the Policy of the Infinity from time to time and recommend changes therein;
- (d) Constitute a transparent monitoring mechanism for ensuring effective and efficient implementation of the CSR projects; and

- (e) To review the implementation of CSR.
- (f) The CSR Committee will be responsible for formulating and recommending the policy on CSR to the Board and an annual action plan in pursuance of its CSR policy including
 - the list of CSR projects or programmes that are approved to be undertaken along with the amount of expenditure to be incurred on such CSR activities.
 - the manner of execution of such projects or programmes.
 - the modalities of utilization of funds and implementation schedules for the projects or programmes.
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the company:
- (g) Furthermore, the CSR Committee will be responsible for monitoring CSR policy, CSR initiatives, and progress on approved projects and shortfalls in achieving the CSR plan, if any.
- (h) Furthermore, the CSR Committee will be responsible to report to the Board on the status of achievement of the CSR initiatives and its activities on annual basis.
- (i) The Committee will also report significant CSR activities and achievements in the Board's Report in the Company's Annual Report.

(D) CSR Budget:

- (a) A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than as specified under provision of Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder in pursuance of this policy.
- (b) With the approval of the Board (Committee), the company will allocate an annual budget towards the CSR projects. This budget must amount to a minimum of 2% of the average net profits made by the Company during the preceding three financial years.
- (c) In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount. The aggregate expenditure on CSR activities will also be disclosed by way of notes to accounts in the financial statements of the Company.

Further, the unutilized / unspent CSR budget from the 2% of the average net profit will be dealt with in accordance with Section 135(5) & (6) of the Act read with Rule 7 & 10 of the CSR Rules, as may be amended from time to time, in a manner as specified below:

- (A) Amount not related to any ongoing project: Such unspent amount will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year
- (B) Amount related to an ongoing project: Any unspent amount relating to an ongoing project will be dealt with in a manner specified below:
 - 1) Such unspent amount will be transferred to a special account called as the "Unspent Corporate Social Responsibility Account" within 30 days from the end of the Financial year;

- 2) Company will spend such transferred amount in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3 financial years from the date of such transfer;
 - 3) If still unspent, the same will be transferred to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.
- (d) Approving authority for the CSR amount to be spent would be any one Director or the Chief Executive Officer of the Company, after due recommendation of CSR Committee and approval of the Board of Directors of the Company.
 - (e) The surplus arising out of the CSR projects or programs, or activities shall not form part of the business profit of Infinity and shall be ploughed back into the same project or shall be dealt with in a manner specified as above.
 - (f) Where a company spends an amount in excess of 2% of the average net profits made by the Company during the preceding 3 financial years, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions prescribed under Rule 7 (3) of the CSR Rules.
 - (g) The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
 - (h) Infinity may collaborate or pool resources with other organizations (its subsidiary companies and NGO's) to plan, implement, monitor and report CSR activities.
 - (i) CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.
 - (j) Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.
 - (k) The Board shall ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.

(E) Project Monitoring

Infinity may institute a well-defined monitoring and evaluation mechanism to ensure that each CSR program has:

- a. Defined objectives;
- b. Defined targets, time lines and measurable parameters, wherever possible;
- c. A progress monitoring and reporting framework that is aligned with the requirements of the section 135 of the Companies Act and the CSR Rules
- d. The CSR committee will meet periodically to discuss the progress of CSR activities and apprise the Board with the progress and action plan, from time to time.

(F) **Budget Monitoring**

Infinity will establish an accounting system to ensure proper accounting of CSR spends.

(G) **Reporting Framework**

- (a) The CSR Team will monitor progress on CSR projects and CSR spend and report to the CSR Committee at regular intervals.
- (b) Infinity will report CSR performance in its annual report as per the structure and format prescribed in the notified CSR Rules.

RECORD KEEPING

All the certificates, agreements, invoices with actual spend will be carefully documented and the records shall be available as and when required for scrutiny by auditors or regulators or other stakeholder. Further, all documentation pertaining to the CSR activity will be maintained for a period of 8 years or such other period as specified by any other law in force.

INFORMATION DISSEMINATION

The Company's engagement in this domain is disseminated on its website, annual reports and its house journals as and when deem fit.

MANAGEMENT COMMITMENT

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

REVIEW /MODIFICATIONS AND UPDATES

CSR Committee of Infinity will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

The CSR Committee, in its meeting, will oversee the implementation of the policy and review its functioning at the intervals as it may deem necessary but atleast once in a year.

Further, this policy may be amended subject to the approval of Board of directors on recommendation of CSR Committee of the Company, from time to time in line with the business requirement of the Company or any statutory enactment or amendment thereto.

In case of any amendment to the applicable laws which are contrary to the provisions of this Policy, the Company shall be required to ensure compliance with the provisions of the said amended laws, notwithstanding any provisions to the contrary contained herein.

COMPLIANCE WITH COMPANIES ACT, 2013

Our Corporate Social Responsibility policy conforms to the provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India and the Rules framed in respect thereof.

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